

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 <sup>nd</sup> November 2021
DATE AUTHORISED	13 <sup>th</sup> November 2021

## 1. Objective

This Policy sets out items that the Diocesan Council has approved as exempt income and deductable 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 15<sup>th</sup> November 2021. The parish shall review and confirm or request amendment to the Determination by 15<sup>th</sup> 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	DATE OF PREVIOUS	SUMMARY OF CHANGE	REASON FOR CHANGE
THIS DOCUMENT	DOCUMENT		
V2	12 <sup>th</sup> February 2016	Substantial change	Lack of clarity in
		to the basis upon	definitions and
		which Contributions	inequity in
		are made and	allowances between
		refinement of	parishes
		definitions	

# $Appendix\ 1-Mapping\ of\ Predetermined\ Definitions\ for\ each\ parish's\ financial\ accounts\ 2018-2020$

	Calendar Year Ending								
	31st December	Definition	Darwin	Nightcliff	Malak	Freds Pass	Katherine	Alice Springs	Palmerston
	Average Weekly  1 Attendance (all services)	, ,	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return	"Av no. attending Sunday" from Parish Return (excl. Nuer Fellowship)
	Revenue		Per Parish Return 2019	Per Parish Return 2020	Per Parish Return 2020	Per Parish Return 2020	Per Parish Return 2020	Per Parish Return 2020	Per Parish Return 2019
А	Tithes & Offerings (excl.	Income comprising substantially the giving of the congregation toward the ministry of the parish incl. tithes, offerings, envelopes, direct credit/deposit, giving days BUT NOT bequests, mission giving, donations	Offertories - General/Direct Deposit	Offertories	Parish Offertories excluding Bequests	Collections	Collections	Parish Giving	Offering incl. Nuer Fellowship
В		Income other than A, C and D including fetes, op shops only, grants, donations, mission support (i.e. from BCA, ABM etc.)	Donations, Miscellaneous Giving, Car Park Income, Cathedral Operations, Mission Giving, Other Income (excl. that which is in C)	BCA NT Youth Minister Support, Grants Received, Mission Collection, Other Income	Other Income excluding	Op Shop, Donations, Other Income	Rent Anglicare, Rent Old Church Hall, ACWU (=Op Shop!)	Fundraising	None
С	Rental/Hire and Interest Income	Rent of property, hall hire, interest	Harbour Room Hire, Exam Income, Other Venue Hire, Rental Income, Interest Received	Property Rental (Anglicare)	Rent, Interest	Interest Received	Bank Interest	Interest received	Rent 9 Priest Circuit, Sommerville, Venue Income, Interest Income
D	Excluded Income	LSL Payout Funding, contributions from Diocese, pandemic subsidies incl.  JobKeeper/Cash Boost, GST recovered from MEA/RPEAs, bequests from deceased estates, insurance claim recoupment, gains from legal action	Insurance Recoveries, ATO Cashflow Boost	MEA GST Refunds, LSL Fund Income	Bequests, GST Recoverable, Other Income, LSL from NT Diocese, Insurance Claim, Job Keeper, Cashflow Bonus	Government Grants, Bequest	Payout for the PFAS action (Shine Lawyers), Cashflow Bonus, Job Keeper	Cash Boost, LSL	None
	Total Revenue per accounts	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)



	Calendar Year Ending								
	31st December	Definition	Darwin	Nightcliff	Malak	Freds Pass	Katherine	Alice Springs	Palmerston
	Less Expenses								
-В	Fundraising Expenses to third parties only	Expenses identifiable as setting off "B" above, limited to organisations operating at an arms- length to the parish and its members	Car Park Expenses, Donations, Mission giving	Missions	Mission Giving	Mission Giving	Tithing giving to Missions	Mission	Mission Giving
-C	Rental/Hire Expenses	Expenses identifiable as setting off "C" above (but they are usually not broken out in the records)	None	None	None	None	None	None	None
_		Expenses identifiable as "repairs" and/or "maintenance"	Repairs & Maintenance	Repairs & Maintenance less "capital items reserve", "provisions" or any such allowance which is not	Maintenance	"R M"	Repairs and Maintenance and Garden Costs	Dranarti 9 Maistananaa	Maintananca Craund
-r	Parish Property	maintenance	Repairs & Maintenance	expenditure	Maintenance		Garden Costs	Property & Maintenance	Maintenance - Ground
-E	Parish Assessment	Usually in expenses found as "Parish Assessment"	Diocesan Contributions	Diocesan Contributions	Parish Assessment	Diocesan Assessment (budget incorrect so adjusted)	Diocesan Pledge	Diocesan Contribution	Diocesan Assessmnet
-G	Cost of Assistant Ministers	Expenses identifiable as "stipend", "allowances", "benefits" and/or "wages" for any minister other than the rector (only likely to be Nightcliff and Freds Pass)	None	"Assistant Minister", "Children and Families" and "Youth Minister" Items excluding transfers/provisions	None	(Not available: ESTIMATED BY DCR as 40% of 85% of rector package = \$74788.26 x 85% x 40%)	None	None	None
	Other Expenses		Total Expenditure less	Total Expenditure less above (excluding from/to transfers and	Total Expenditure less	Total Expenditure less	Total Expenditure less above (excluding from/to transfers and	Total Expenditure less	Total Expenditure less
-D	(everything else)	All remaining expenses	above	provisions)	above	above	provisions)	above	above
	Total Expenses per accounts	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)

	Calendar Year Ending								
	31st December	Definition	Darwin	Nightcliff	Malak	Freds Pass	Katherine	Alice Springs	Palmerston
	Operating Profit								
	Available for								
В,С,-В,-С	Ministry/Maintenance	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	less								
	Maintenance/Repairs of								
	Parish Property	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	less Parish Assessment	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	less Cost of Assistant								
ì	Ministers	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
-D	less Net Overheads	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	Total Operating Profit	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
		,	,	,	,	, , , , , , , , , , , , , , , , , , ,	,	,	, ,
	Balance Sheet								
	Cash at Bank, Term		Bank Accounts & Petty						
	Deposits, Investments	Current Assets	Cash	Current Assets	Current Assets	Assets 1–4	Current Assets	Current Assets	Current Assets
	Property, Plant &								
	Equipment & Other	Non-Current Assets incl. Property, Plant &	Other than Bank						
	Assets	Equipment	Accounts & Petty Cash	Non-Current Assets	Property & Equipment	Assets 5–20	Non-Current Assets	Non-Current Assets	Non-Current Asset
				Liabilities (excluding					
				Non-Current Liabilities					
	Liabilities	All Liabilities	Liabilities	"provisions")	Liabilities	Liability	Liabilities	Liabilities	Liabilities
	Net Assets	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
			(00.00.000)	(42.02.0102)	(00.00.000)	(42.00.202)	(00.00.000)	(42.42.00.00)	(40.00.000)
	Metrics								
	Available for								
	Ministry/Maintenance								
В,С,-В,-С	per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	Maintenance/Repairs								
	per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	Assessment per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	Cost of Assistant	,	,	,	,	, , , , , , , , , , , , , , , , , , ,	,	,	i í
3	Ministers	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
-D	Overheads per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	Total Operating Profit	,		,	,	,,	,,	,	,
	per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)
	p - p					,	(		,
	Cash/Near Cash								
G	Resources per person	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)	(calculated)