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1. Objective

In relation to the financial affairs of the parishes of the Diocese and the Diocesan Office itself, the overarching objective is that *the roles of parish treasurer and bookkeeper receive sufficient support from the parish and the Diocese*. This *Treasurers and Bookkeepers Manual* is a codification of the role description and key activities involved in being the “Treasurer” of a parish. This should be read in conjunction with the Administrative Circular.

2. Guiding Principles

In accordance with the Diocesan values, this *procedure* seeks to show **integrity** (to act according to what we teach), **unity in diversity** (to demonstrate that even in our differences we are one family in the Lord), **courage** (to face uncertainty) and **hope** (to be assured of Christ working through our diligent planning). Importantly, a financial role is one of *ministry* and no less than any other role.

3. Role description of the Treasurer

There is no description of the role of Treasurer in Diocesan legislation, merely a reference to the role itself. In an attempt to fill that void, reference is made to the 2016 publication of the Anglican Diocese of Melbourne “The Parish Council Handbook”, which sets the role based on the Rule 18.4 appended to its own *Parishes Governance Act 2013*:

- a) ensuring the proper banking of all moneys of the parish and the proper payment of all amounts payable by the parish;
- b) maintaining proper financial records of the parish;
- c) reporting to each meeting of the parish council on the financial affairs of the parish, including projected outcomes in accordance with the annual budget of the council;
- d) preparing forward estimates of income and expenditure in accordance with strategies and plans adopted by the council;
- e) ensuring that the accounts of the parish are audited or assessed as required; and
- f) preparing the annual financial report to the annual meeting.

To summarise, the parish treasurer is responsible for:

- a) *management of financial transactions*; and
- b) *reporting on finances to parish council*.



These two functions will shape Section 5 and 6 of this manual, articulating essentially the “why”. The manual will also clarify the basic accounting principles and a basic position on the legal premise upon which the Diocese is founded in the remainder of Section 3. A one-page cyclical summary of key treasurer/bookkeeper functions in Section 4 is also provided.

3.1. Basic Accounting Principles and Reporting Requirements

Parishes that generate an annual income of less than \$500,000 may account on a cash basis, consistent with the reporting requirements in Section 19 of *The Parishes Ordinance 1977–2021* (“TPO”), which states that a parish must produce a set of *reviewed* receipts and payments and a statement of assets and liabilities each year. This basis of accounting is the “cash” method.

Parishes which generate more than the above amount are required to make additional disclosures to the Australian Charities and Not-for-profits Commission and ought to prepare accounts in accordance with Australian Accounting Standards and have their accounts audited. This basis of accounting is a “accrual” method. Every parish may choose to account using the accrual basis. However, all parishes are encouraged to use a cash basis for GST reporting.

3.2. Parish as a Diocesan Entity

Parishes and ministry units are recognised pursuant to Section 4 *TPO* as a **diocesan entity**. Members of the parish councils of parishes that are registered with the Australian Taxation Office (herein “ATO”), the Australian Business Register and/or the Australian Charities and Not-for-profits Commission (herein “ACNC”) are recognised as being primarily responsible for ensuring reporting requirements and recordkeeping in relation to payroll, taxation and charity registration matters.

However, it should also be recognised that the **legal entity** encompassing all parishes and ministry units in the Diocese is not the parish itself, authorised ministry team nor Diocesan agency itself, but rather The Synod of the Diocese of the Northern Territory Incorporated, an incorporated association regulated by Australian Charities and Not-for-profits Commission and the Attorney General’s Department (NT). The Diocesan Council has the responsibility of exercising “general superintendence” over all of the affairs of the Diocese. Accordingly, parishes or other ministry units are accountable to Diocesan Council and should act in accordance with Diocesan ordinances, policies and procedures, including the Administration Circular.

Also, the Synod of this Diocese, comprised of members as determined under its Constitution, is the body through which key decisions on the running of the Legal Entity are determined, including selection of the Diocesan Council, Bishop’s Election Committee (the President of Synod) and General Synod Representatives (including the Bishop, a cleric representative and a lay representative). This causes The Synod of the Diocese of the Northern Territory Incorporated to also become the **episcopal entity**, by which church oversight is determined.



4. A Practical Guide to the Roles of Treasurer and Bookkeeper

This section is intended to give a broad-brush approach to the role of treasurer. It is broken up into “cycles” of particular functions and sets out the steps to be taken to fulfil same. The explanation as to “why” these steps are necessary are found in the later sections of the Manual.

<i>Frequency</i>	<i>Function</i>	<i>Sub-Function</i>	<i>Action Required</i>
Weekly	Offerings	Counting	Two (other than banker/bookkeeper) to secure cash and counter
	Offerings	Banking	Prompt banking of funds after counting
	Offerings	Bookkeeper	Record banking, file counting sheet for audit/review
Fortnightly (presumed to be payables cycle)	Expenses	By cheque	Issue payment with substantiating documentation with two-to-sign (excl. practitioner), can be recorded on reconciliation
	Expenses	By internet banking	Issue payment with substantiating documentation with two-to-verify online (e.g. Westpac approvals), can be recorded on reconciliation
	Expenses	RPBHA*	"Religious Practitioners Benefits Holding Account" (RPBHA) reconciliation of transactions or reimbursement for third party payments
Monthly (presumed to be payroll cycle)	Payroll	General	Payments direct to practitioner must be reported via payroll system/STP 2
	Payroll	Stipend	Ensure entire stipend is reported as "SAW Gross"
	Payroll	Allowances	Ensure other payments direct to practitioner (e.g. c/km) reported as "Allowance" (e.g. Type CD)
	Payroll	Superannuation	Ensure any additional superannuation sacrificed reported as "Salary Sacrifice Type S" (but not standard employer contribution)
	Payroll	Housing	If not parish-provided, ensure payment is made to agent/mortgage or reported as "SAW Gross"
	Payroll	Non-Specific Benefits	Paid to RPBHA or third party only, reported as "Salary Sacrifice Type O"
	Payroll	Specific Benefits	Paid to RPBHA or third party only, not reported (e.g. car replacement benefit, book allowance/biennial flight/conference reimbursement)
	Payroll	Reporting	Submit STP 2 reporting after each pay event
	Other Income		Ensure invoiced/received (fundraising, hall hire), ensure recorded (interest)
Quarterly	Reporting	Reconciliations	All transactions to bank accounts (incl. RPBHA) before reporting, spot audit GST is correct (e.g. no claiming of GST free items)
	Reporting	Parish Council	Prepare statements of receipts and payments/assets and liabilities and and list of payments for tabling/ratification
	Business Activity Statement	GST	Report Online Services for Business (A1 = Amount Owed to ATO/A2 = Amount Owed by ATO/G1 = Total Sales incl. GST)
	Business Activity Statement	PAYG	Report Online Services for Business (W1 = SAW Gross/Allowances less Salary Sacrifice S/O; W2 as deducted in payroll system)
30th June	Superannuation	Clearing	Ensure standard employer and salary-sacrificed super paid to complying fund via clearing house (NB salary-sacrifice super is "reportable")
	Parish Return		Confirm attendance numbers, employment changes, business travel, hazards register, licences and Safe Ministry accreditations
Annual	Payroll	Reporting	"Salaries", "stipends incl. non-specific benefits", "allowances" and "housing benefit" to Registrar for Workers Compensation by 21/7
	Payroll		Prepare annual STP 2 confirmation on Online Services for Business to enable employees access to their payment information
	Reporting	Annual Meeting	Prepare full set of financial accounts for reporting to parish Annual Meeting incl. treasurer's report (optional)
	Budgeting		Projected cash receipts and payments incl. assurance of sufficient cash holdings for the year
	Parish Return		Parish statistics/appointments, financial accounts/budget, employee entitlements, WHS review, licences/Safe Ministry accreditations
	Registers	ACNC	Ensure Responsible Persons (all Parish Council members) are updated and Annual Information Statement lodged on time
Registers	ABR	Ensure sufficient number of persons have access to Online Services for Business via Relationship Access Manager	



5. Management of financial transactions

The responsibility of managing all kinds of financial transactions is becoming more and more cumbersome, particularly in terms of payroll management and the trend toward use of cloud-based software for bookkeeping. It would seem appropriate to break up financial transactions into their respective types:

5.1. Assets

5.1.1. Bank accounts

The basic principles of establishing and maintaining a bank account are as follows:

1. Bank accounts and equivalents to be in the name of the parish, wardens and/or Diocese;
2. Establish accounts with bank feeds for automatic upload to bookkeeping software, streamlining the bank reconciliation process;
3. Basic internal controls to avoid material and reputational risk of misfeasance (e.g. two to sign/approve);
4. Clerics and lay ministers shall not be signatory/approver except for the parish council sanctioned use of debit cards for salary packaging;

5.1.1.1. Types of accounts

There are no restrictions on the financial institution with which an account may be established, aside of course that it is an Australian financial institution. Parish councils are responsible for managing risk in their investments and ought to manage that risk to a low or medium level in accordance with Diocesan Risk Management Policy. Parish councils ought to receive approval from Diocesan Council before opening accounts and inform the Registrar of all bank accounts and changes to the signatories thereof.

Parishes are unincorporated associations, with which some financial institutions may have difficulties in establishing accounts. It is possible for accounts to be in the name of the Parish, which is usually constituted by its wardens. It is possible to open accounts in the name of The Synod of the Diocese of the Northern Territory ([name of parish]), in which case the Registrar should be at least a signatory on that account. It may be beneficial for the Registrar to be at least a signatory on bank accounts in order to maintain continuity between parish councils.

5.1.1.2. Bank feeds

Bank feeds are available with most mainstream financial institutions, which enables bookkeeping software to directly link to bank statement information automatically. This has the benefit of reducing the manual upload of bank transactions. It can also be used to then upload substantiating documentation at the time the uploaded transactions are coded.



Some accounting software allow for bills for expenses to be initiated, validated, approved and then to produce a payment file, which can be uploaded to the financial institution's internet banking system for automated payment of suppliers. The combination of bank feeds and an approval/payments system from the same accounting software can further reduce the risk of error on bank reconciliation and may be preferable, particularly if the parish chooses to produce accrual accounts. However, this feature often comes at a greater cost and, given the greatest expense is normally stipends, benefits and allowances, may be superfluous for parishes.

5.1.1.3. Basic internal controls

Given money is handled through the treasurer, it is imperative that the treasurer operated in conditions which ensure their integrity is held to a high standard and that they are held to account by parish council. Although often the amounts being paid are not substantial and therefore the risk rating of fraud is not high, there is significant reputational risk associated with misfeasance in the church. Two key internal controls are important:

- a) The initiator of a financial transaction should not be the approver (or, ideally, the reconciler); and
- b) Payments should be made using a banking facility which requires two independent persons to authorise payment.

Ideally, a bookkeeper would initiate an expense/payment, the treasurer would authorise that expense/payment, at least one warden would approve the expense/payment and the treasurer would function as the reconciler. In particular, the separation of duties between initiator and reconciler can be beneficial in determining bookkeeping errors. As the treasurer is often also the bookkeeper and the first approver, it is *essential* that at least one warden should be an approver of payments. Another suggested internal control is to provide a schedule of authorised payments at each parish council meeting for transparency.

Also, it goes without saying that signatories/approver ought to be kept up to date. Due to the often complex processes financial institutions have for signatory/approver changes and the annual cycle of changes to parish councillors, it is often the case. *An annual review of account signatories following the parish's annual meeting is important.*

5.1.1.4. Limitation on use of bank accounts

Clerics or lay ministers should not be signatories on bank accounts nor approvers of transactions, except for the ability for religious practitioners to use debit card-based Religious Practitioner Expense Accounts or equivalent salary packaging accounts and/or parish council-sanctioned operating expenses (e.g. fuel for parish vehicle, ancillary expenses).

5.2. Other Current Assets



Occasionally, parishes may have accounts receivable or trading stock which should be brought to account. The key principles for managing other current are:

- a) Regular review for impairment of assets, which should cause them to be written off/down as an expense (for parishes accounting on an accrual basis); and
- b) Write-offs/write-downs should be approved by resolution of parish council.

5.3. Parish Property and Rights of Use

The Diocese does not account for the assets or liabilities of a parish in its financial accounts. On the face of it, parishes should then recognise all assets and liabilities of the parish. The question is then raised as to what is parish property.

Put simply, the current assets (net of current liabilities) and floating assets (e.g. equipment not fixed to the worship space) of a parish are deemed to be available for fulfilling all temporal affairs of the parish. However, the parish holds only an enduring right of use over the property assets of a parish (e.g. buildings, land, fixtures). For this reason, **there is no requirement for parishes to incorporate valuations of property in parish accounts**. Parishes accounting on an accruals basis ought to depreciate floating assets.

In summary:

- a) Current assets and “floating” assets may be brought to account in the parish accounts; and
- b) The parish enjoys an unquantifiable right of use over parish property (land, buildings and fixtures), which need not be brought to account in the parish accounts.

5.4. Liabilities

5.4.1. Employee entitlements

It is important to ensure that records are maintained of the amount of leave, superannuation and other entitlements owed to employees, whether clerics, lay ministers or ancillary workers. This amount should be recorded in the Statement of Financial Position/Assets and Liabilities in the parish accounts or, at least, in the notes thereto.

All positions in the Diocese are subject to the minimum conditions set out by Fair Work Australia. After a period of 1 year [check], casual employees should be given the opportunity to become permanent part-time employees, which results in a removal of the 25% loading for casual employees but grants entitlement to various forms of leave and notice. For this reason also, it is important to ensure that records are maintained of leave entitlements.

5.4.2. Loans and Long-Term Liabilities



Occasionally, a parish may have a loan, overdraft or credit arrangement, established only with the express approval of Diocesan Council. This should be brought to account in the statement of financial position/assets and liabilities.

5.5. Income/Cost of Sales

5.5.1. Cash from offerings

As mentioned in Section 6.1.1.3, internal controls are required to ensure integrity in financial processes is maintained, notwithstanding relatively small amounts being managed. To this end:

- a) Two persons should collect the offering and together count and tally the moneys, clearly identifying any donation made for a specific purpose;
- b) The person who banks those moneys should not be the same person who records them in the bookkeeping software as income (whether for specific purpose or otherwise). The treasurer or bookkeeper is responsible for recording the income into the bookkeeping software and therefore should not also be responsible for banking the deposit

A simple cash collection sheet recording same should be developed. The auditor or reviewer will invariably ask to review records and controls in relation to cash handling.

5.5.2. Non-Cash Offerings

Direct credit offerings are becoming more common. It is recommended that direct credit offerings are marked a common reference (e.g. “offering”). Full details of the deposits should be kept in the bookkeeping system for the auditor/reviewer to cross-check between bank statements and the accounting ledger. For anonymity of the offering party, reports should refrain from providing information on the deposit.

5.5.3. Fundraising

“Fundraising” is used in a broad sense to include any specific activity which generates direct income and expenses to third parties.

Income from fundraising should follow a similar procedure from 4.5.1, wherein cash counted and marked by an appropriate identifier. It may appropriate to establish a simple invoicing system to ensure cash and direct credits to the parish bank account are reconciled against invoices raised.

Expenses to third parties that are directly referable to a fundraising activity should be identifiable in the statement of receipts and payments (or equivalent). See Section 4.6.2 for further details.



5.5.4. Hall Hire/Rental

Hall Hire/Rental income is that which is generated from renting church premises to third parties. Direct expenses of hall hire/rental may be deducted only if they are directly referable to the specific activity (i.e. excluding an apportionment of overheads or any costs of maintaining and repairing buildings). See Section 4.6.2 for further details.

5.5.5. Excluded Income

Excluded income includes bequests and grants that are set apart by the donor for specific purposes. Further information relating to the Diocesan policy for specific grants and bequests can be found on our website under Giving. See Section 4.6.2 for further details.

5.6. Expenses

5.6.1. Stipends/Salaries

The Diocesan Office has prepared a template, from which standard and adjusted individual stipend (and for non-stipendiary employees, salaries) can be determined (pre-tax, given payroll programs determine PAYG tax automatically based on employment declarations). As an example, the 2023 Stipend Determination for a rector, paid fortnightly, living in an on-site parish-provided with a car replacement benefit, is set out as follows:



Position/Function/Role and Package Options		
Position Title		
Stipendiary or Salaried Position	Stipend	
Base Function/Role:	Rector/Priest-in-Charge	
Variation Factor:	0.0% +/- %	
Full-time equivalent %	100.0% 100% = full-time (affects stipend calculations only)	
Non-Specific Benefits %	30.0% of Stipend/Salary & Notional Housing Benefit for religious practitioners only (TR2019/3)	
Sacrifice to Superannuation %	0.0% of Stipend/Salary (note that there are limits to concessional treated superannuation)	
Sacrifice to Otherwise Deductible Entities %	0.0% of Stipend/Salary (Eligible Otherwise Deductible Entities to be approved by Employing Entity)	
Name of Eligible Otherwise Deductible Entities	(none)	
Motor Vehicle Replacement Method	Minister-provided (car replacement \$390/month*, 48c/km taxable/reportable +Allowance type CD)	
Pay Cycle:	Fortnightly Note: All payments rounded to equivalent of 26 fortnights/52 weeks (i.e. 364 days/year)	
Member of clergy couple (both entitled to Housing Benefit)?	No	
Place of Residence:	Private	
Base Salary excl. Superannuation (only if salaried position)	\$ -	
Annual Package		
		<i>STP 2 Codes in brackets/RESC = Reportable Employer Superannuation Contribution:</i>
Salary taken as Taxable Income	\$ -	pay as taxable/reportable income (+SAW Gross)
Stipend	\$ 37,966.60	pay as taxable/reportable income (+SAW Gross)
Stipend/Salary Paid to Otherwise Deductible Entities	\$ -	pay deductible gift recipient charity (+SAW Gross; -Salary Sacrifice Type O)
Non-Specific Benefits	\$ 27,971.40	pay Religious Practitioners Benefits Holding Account (+SAW Gross; -Salary Sacrifice Type O)
Additional Superannuation (stipend/salary sacrifice)	\$ -	pay min. qtrly complying/stapled superannuation account (-Salary Sacrifice Type S/+RESC)
Superannuation	\$ 8,571.94	pay min. qtrly complying/stapled superannuation account
Notional Housing Benefit	\$ 27,300.00	if <i>not</i> parish-provided/paid to agent/mortgage, taxable/reportable (+SAW Gross)
Additional Housing Benefit (enter manually if appl.)	\$ -	if <i>not</i> parish-provided/paid to agent/mortgage, taxable/reportable (+SAW Gross)
Car Replacement Benefit	\$ 4,680.00	if <i>not</i> paid to employer holding account/RPBHA, taxable/reportable (+Allowance type CD)*
Annual Book Benefit (otherwise deductible)	\$ 250.00	if <i>not</i> paid to RPBHA/reimbursed, taxable/reportable (+Allowance type OD G1)
Annualised Conference Benefit (otherwise deductible)	\$ 250.00	if <i>not</i> paid direct/reimbursed, taxable/reportable (+Allowance type OD G1)
Notional Reasonable Utilities	\$ 5,000.00	pay provider, reimburse on paid invoices or as otherwise agreed, not taxable/reportable
Notional Package (before unquantifiable items below*)	\$ 111,989.94	
Stipend/Non-Specific Benefits or Salary pre-Sacrifice OK?	TRUE	
Entitled to Biennial Flights "Home" Benefit	Yes	Not quantifiable, pay direct costs or reimburse, not taxable/reportable
Entitled to Biennial Conference Benefit	Yes	Quantified above at maximum allowance (\$500) per full-time equivalent
Entitled to Reasonable Utilities	Yes	Estimated only at \$5000/annum household per full-time equivalent
Entitled to Professional Supervision Subsidy Benefit	Yes	Not quantifiable, subject to limits/conditions (refer to mdo@ntanglican.org.au)
Entitled to communications costs	Yes	Not quantifiable, pay direct costs or reimburse, not taxable/reportable
Pay Cycle Information		
<i>Paid to nominated bank account (subject to exceptions above)</i>		
Taxable Income (paid to nominated bank account)	\$ 1,460.25	paid fortnightly [plus housing benefit paid direct to practitioner (if applicable)]
Taxable Allowance (paid to nominated bank account)	\$ 9.62	paid fortnightly plus cash allowances for motor vehicle (if applicable)
Total Amount paid to nominated bank account	\$ 1,469.87	paid fortnightly plus c/km allowance and reasonable utilities (if applicable)
<i>Other payments made for benefit of employee (subject to exceptions above)</i>		
Non-Specific Benefits	\$ 1,075.82	paid fortnightly to Religious Practitioners Benefits Holding Account (if applicable)
Payment to Car Replacement Account	\$ 180.00	paid to employer holding account/RPBHA (fortnightly) (if applicable)
Payment to Otherwise Deductible Entity	\$ -	paid to deductible gift recipient fortnightly (if applicable)
Housing Benefit	\$ 1,050.00	paid to agent/mortgage (fortnightly) (if applicable)
Total Other Payments made on behalf of employee	\$ 2,305.82	paid fortnightly
<i>Superannuation payments</i>		
Employer Superannuation Contributions	\$ 2,142.99	paid quarterly within 28 days of end of each quarter (depending on pay cycle)
Stipend/Salary Sacrificed Superannuation Contributions	\$ -	paid quarterly within 28 days of end of each quarter (depending on pay cycle)
Total Superannuation Contributions	\$ 2,142.99	paid quarterly within 28 days of end of each quarter (depending on pay cycle)

5.6.1.1. Packages for stipendiary clergy and lay ministers

Information relating to packages for stipendiary clergy and lay ministers and the treatment of same is found in the Administration Circular. For clarity, salary packaging referred to therein is only available for religious practitioners.

5.6.1.2. Single Touch Payroll (STP) Phase 2 Payroll Systems



As of 1st January 2022, STP Phase 2 has been required with extensions for certain payroll systems (e.g. MYOB until 31st December 2022, Xero until 31st March 2023). Higher-grade versions of up-to-date accounting packages such as MYOB and Xero are able to handle all reporting requirements for STP Phase 2, including uploading of the types of income, PAYG withholding and superannuation liability and clearing. The coding of the annual package for STP Phase 2 purposes is set out in 4.6.1 and is not without some complexity. Two points are particularly important [subject to review]:

1. All benefits provided to religious practitioners are *not* reportable fringe benefits;
2. There are specific codes which ought to be used:
 - a. Total stipend (i.e. \$65,938) shall be coded as “Salary and Wages (SAW)—Gross”;
 - b. Non-specific benefits determined as a maximum of 30% of stipend *and* notional housing benefit shall (in being deducted from item a) be coded “Salary Sacrifice Type O” but shall not be taken into account for determining Adjusted Income for Centrelink purposes;
 - c. Superannuation contributions sacrificed from total stipend shall (in being deducted from item a) be coded as “Salary Sacrifice Type S” and be deemed a “Reportable Employer Superannuation Contribution” for the purpose of determining Adjusted Income for Centrelink purposes;
 - d. Deductions are made from the practitioner’s stipend for payment to a deductible gift recipient charity should be coded as “Salary Sacrifice Type O”;
 - e. No payment should be made direct to the religious practitioner without being reported through the payroll system, meaning that:
 - i. If housing benefit is paid to the practitioner, that shall be coded as “Salary and Wages (SAW)—Gross”;
 - ii. If car replacement benefit is paid to the practitioner, that shall be coded as “Allowances Type CD”, similar to allowances on a cents per kilometre basis; and
 - iii. If a book or conference benefit is paid to the practitioner other than for reimbursement, that shall be coded as “Allowances Type OD G1”.

For completeness, parishes should ensure that:

- a) PAYG liability is reported and paid in accordance with the agreed reporting cycle with the ATO in the Instalment Activity Statement (particularly if different from the Business Activity Statement cycle); and
- b) Superannuation liability is reported through the software’s clearing house (in-built for MYOB Business and Xero Premium) and paid before 28th day after the end of each quarter; and
- c) STP Phase 2 reporting is completed immediately after each pay event and finalised as soon as possible at the end of each income tax year as employees will be unable to lodge returns until this is complete.



5.6.2. Other Expenses

All other expenses may be coded as needed.

At a minimum, other expenses of the parish ought to be coded in such a way as to comply with AD001 Contribution to Diocese and Aboriginal Ministry Deduction Policy, which sets out certain items which are deemed to be excluded or able to be offset in the Registrar's determination of that Contribution.

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.

5.7. Reserves



5.7.1. Specific donations and grants yet to be expended to be held as reserves

From time to time, specific donations and grants may be received by a parish, earmarked for a particular purpose. These are not subject to diocesan assessment but nevertheless must be treated as income and specifically earmarked in the parish accounts as being for a specific purpose.

As part of the Contribution to Diocese & Aboriginal Ministry Determination process, the Registrar reviews amounts set aside for specific purpose, especially where these have a significant impact on tithes and offerings. Upon request, evidence shall be provided to the Registrar demonstrating the donor's intention that these moneys are to be expended for a specific purpose.

5.7.2. Allocating "equities" or "net assets" as reserves

Whilst reserves may be maintained, the income which brings them into being **must** be brought to the statement of financial performance/receipts and payments in the year received. They then become part of "equities" or "net assets". Reserves earmark cash or other assets for a particular purpose. Reserves are not by default excluded from Determinations of Contribution to Diocese and Aboriginal Ministry.

6. Reporting requirements

6.1. Civil Reporting Requirements

6.1.1. Business Activity Statements

GST net liability (or in the case of a refund, asset) should be reported and (if required) paid in accordance with the agreed reporting cycle with the ATO in the Business Activity Statement. It is possible to report to the ATO directly through most bookkeeping software.

6.1.2. Australian Charities and Not-for-profits Commission (ACNC) requirements

Parishes have requirements to report to the ACNC each year. Treasurers are often best placed to undertake this task. Parishes, through the Treasurer or otherwise, should ensure that:

- a) The list of responsible persons is up to date on the ACNC website; and
- b) The Annual Information Statement is prepared by the end of June each year.

The Diocesan Office may offer attempt to bulk upload Annual Information Statements for the year ended 31st December 2022 based on information to be provided in annual parish returns.

6.2. Parish/Episcopal Reporting Requirements



6.2.1. Reporting cycle and checklists

Depending on the complexity of the accounts of the parish, a checklist of actions to perform before preparing reports for parish council might be warranted. This is particularly the case for parishes reporting on an accruals basis. The key actions are recommended:

- a) Reconcile all bank accounts (i.e. account for the difference between bank statement balance and the accounting system's balance for that same account);
- b) Prepare journals for accrued expenses (e.g. annual leave, superannuation if not otherwise accounted for in the payroll system, expenses incurred but not billed, accrued income on term deposits).

Typically, parish council will expect at least a statement of receipts and payments against budget and statement of financial position (i.e. current assets less liabilities), essentially being the "parish accounts". The parish annual meeting will also require those reports, at a minimum, as well as a budget for the coming year.

6.3. Other reporting functions

6.3.1. Relationship Access Management (Australian Business Register)

A particularly important reporting function is to maintain proper records with the Australian Business Register for the ABN of the parish. At least one person should be a "principal authority" of the ABN, thereby being able to add "standard" users via the "RAM" (Relationship Access Manager) to enable access for the provision of Instalment Activity Statements and Business Activity Statements.

It may be beneficial for the Registrar to act as an "alternate" public officer of the parish at least a signatory on bank accounts in order to maintain continuity between parish councils. This would enable the addition of new treasurers and other officers as authorised representatives should there be a period of discontinuity between public officers.

6.3.2. Reporting all facets of "payroll" to the Registrar

The Registrar is responsible for reporting to civil and ecclesial authorities on a "group" basis for workers' compensation insurance, long service leave provisions, related party transactions and to maintain the Diocese's payroll tax exemption. Each of these returns require detailed information on payroll as their definition of "wages" differs substantially between each. In some cases, the Registrar must sign a statutory declaration that the information provided to civil and ecclesial bodies is accurate, for which there are penalties for incorrect information. Information on all facets of parish "payroll" is required to enable this function to be fulfilled. *It would be appreciated if treasurers and bookkeepers (and the parish councils they serve) could support the Registrar in the fulfilment of such duties by the provision of timely and accurate information to the level of detail required by the Registrar or grant access to bookkeeping*



software in order to obtain the same. The Registrar will seek to maintain a good working relationship with parish councils and particularly treasurers and bookkeepers so that a common understanding of these information requirements is maintained.

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