

**Uniting Church in Australia
Queensland Synod**



Treasurers' Handbook



Foreword

There are well over 2500 verses in the bible that focus on financial issues. Financial issues are as much a part of our spiritual development as prayer and our understanding of the scriptures. For the Uniting Church we are faced with congregations and members who are dealing with the stresses of debt and the associated lack of confidence. The relational issues created by financial matters are huge. Corporately our church is seeking to do a lot with very little.

How we handle our dealing of financial matters is an outward display of an inward reality. If you have a passion for growth and spiritual matters you are bound to have your faith tested in financial matters.

In Matthew 6:21 we read, "For where your treasure is, there will your heart be also". Matthew 6:24 says, "You cannot serve God and money". Timothy 6:10 says "The love of money is the root of all evil things, and there are some reaching for it and have wandered from the faith and spiked themselves on many thorny griefs."

We can see in these verses how important it is to have the right perspective on financial matters. A wrong approach can lead us over some very rocky terrain. With many ministries being faced with a shortage of cash we are faced with the chief rival to the God of the bible. The Department for Financial and Property Services is very committed to create resources that tackle some of the basic financial issues.

This document is designed to complement information shared previously on GST, and information contained in prior treasurers' handbooks. It includes regulations contained in the Constitution and Regulations of the Uniting Church in Australia, and by-laws from the Synod of Queensland. A whole section deals with basic accounting for church treasurers. UCIS has provided a very detailed section on the investment tools available to church treasurers.

We all need to be mindful of our responsibilities, and stewardship, when reporting to church council, Presbytery and Synod, also to Government from an ethical and compliance point of view, ensuring that all required returns are properly and accurately completed and submitted on time.

The Australian Taxation Office has released a number of publications to assist churches and charities with GST. These are contained in the Uniting Church web site along with a wealth of pertinent information: <http://www.taxforum.ucaqld.com.au>.

Please note the Department for Financial and Property Services of the Queensland Synod remains available to assist any treasurer in their role. We are pleased to work with any church in their restructuring, or clarification of the role of treasurer.

Colin Aynsley
Chief Financial Officer
Uniting Church, Queensland Synod

"Even youths grow tired and weary, young men stumble and fall; but those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint."

Isaiah 40: 30-31



Important Information - please read

Information provided, is designed to provide general information on the GST and on the processes necessary to operate with the GST. Because business circumstances can vary greatly, the material is not designed to provide specific GST or business advice, but general guidelines.

As aspects of the GST are complex and detailed, the material is not designed to comprehensively cover all aspects of the GST as it applies to small and medium enterprises, the community, and education sectors. Further, the laws pertaining to the GST and rulings that flow from them may change, therefore you are requested to stay abreast of the new rulings as they are brought into law.

Before you rely on this material for any important matter for your business, you should:

make your own enquiries about whether the material is relevant and still current, and whether it deals accurately and completely with that particular matter; and

as appropriate, seek your own professional advice relevant to that particular matter.

This material is provided for information and understanding, not for problem solving, especially with complex trading arrangements.



Contents

Foreword	1
Important Information - please read	1
Important Information - please read	2
Contents	3
Chapter 1 Introduction	6
Chapter 2 Do You Know	8
Chapter 3 What You Will Need – (General Information)	9
3.1 Appropriate Records.....	9
3.2 Tools Available From UCIS	9
Chapter 4 What You Will Need (Accounting Records)	10
4.1 Cash Book	10
4.2 Cash Receipt Book.....	11
4.3 Deposit Book.....	12
4.4 Cheque Book	13
4.5 Bank Statements.....	14
4.6 Using Computers for Records.....	14
Chapter 5 The Money That Comes In (Income/Receipts)	16
5.1 Offerings.....	16
5.2 Other Income.....	17
5.3 Banking of Receipts.....	19
Chapter 6 The Money That Goes Out (Expenses/Payments)	20
6.1 Stipend and Associated Costs.....	22
6.2 Stipend and Allowances Payments.....	22
6.2.1 Travel Allowance Payments.....	22
6.2.2 Supply Ministry Payments	23
6.2.3 Long Service Leave Arrangements.....	23
6.2.4 Special Payments.....	23
6.2.5 Sickness and Accident Policy	25
6.3 Mission and Service Fund	27
6.3.1 Mission and Service Fund Payments.....	27
6.3.2 Mission 2003	28
6.4 Petty Cash Payments.....	31
Chapter 7 Investments	33
7.1 Guidelines for investing with U.C.I.S	33
7.2 Overview of Services	33
Chapter 8 The Stuff You “Own” (Assets)	35
8.1 Bank Accounts	35



8.2 Land and buildings.....	36
8.3 Equipment.....	37
8.4 Congregational Asset Register	38
8.5 Depreciation	38
8.6 Inventory.....	39
8.6.1 Stock - The Actual Count.....	39
8.7 Bequests	40
Chapter 9 What You Owe and What You Might Have To Pay For (Liabilities).....	41
9.1 Loans.....	41
9.2 Provisions.....	41
Chapter 10 Who and How Do I Report to the Church.....	43
10.1 Reporting to the Church Council.....	43
10.1.1 The Church Council.....	43
10.2 Reporting to the Presbytery.....	45
10.3 Reporting to the Synod	45
10.3.2 The Actual Return.....	47
10.4 Reporting externally - GST, ABN, BAS.....	49
10.4.1 How GST Works.....	49
10.4.2 Congregations.....	50
10.4.3 What is a Business Activity Statement (BAS)?.....	51
10.4.4 Who should use a “Business Activity Statement”?.....	51
10.4.5 Who should use an “Instalment Activity Statement”?.....	51
10.4.6 How do you receive your activity statement?.....	51
10.4.7 How often do you need to lodge an activity statement?.....	51
Chapter 11 Internal Controls and Security.....	52
Chapter 12 Audit Requirements.....	53
Chapter 13 Retention of Records.....	55
Chapter 14 Financial Planning and Management.....	56
14.1 Mission Planning.....	56
14.1.1 What is a Mission Plan?.....	56
14.1.2 What is a Mission Budget?.....	56
14.1.3 Mission Resource Budget.....	57
14.2 Cost Budgeting.....	57
14.2.1 Why budget for cost?	57
14.2.2 Preparing a Cost Budget.....	58
14.2.3 Monitoring the Budget.....	58
Chapter 15 Synod Funds.....	60
15.1 Parish Development Fund.....	60
15.1.1 Introduction	60
15.1.2 Sources of Funding for Parish Development	60
15.1.3 Other Parish Development Initiatives.....	61
15.1.4 Resources of the Parish Development Fund	62
15.2 Synod Reserve Fund.....	63
15.2.1 Principle.....	63
15.2.2 Definitions	63
15.2.3 Guidelines	64
15.2.4 The Process of Appeal.....	66



15.2.5 The Management of the Synod Reserve Fund	66
15.2.6 Reserve Fund.....	67
15.3 Mission Resource Fund	67
15.3.1 Introduction	67
15.3.2 Definitions	68
15.3.3 Description and Purpose	69
15.3.4 Resources (Base Fund).....	69
15.3.5 Resources (Reserve Fund).....	69
Chapter 16 Appendices	71
16.1 Glossary of Terms	71
16.2 Chart of Accounts.....	73
16.3 Assembly Regulations	76



Chapter 1 Introduction

The Lord God ... the Almighty, maintains his control over the world, and he intends to come and complete his good purpose for it.

“I am the Alpha and the Omega’, says the Lord, who is, and who was, and who is to come, the Almighty.” Rev 1:8.

He maintains his control over the world from the beginning to the end of all times. We are entrusted to be good stewards, in his world.

The aim of this manual is to make life easy in terms of understanding the role of treasurer, and to ensure you are informed of the laws and by-laws governing the role.

The Finance and Property Board has the responsibility on behalf of the Queensland Synod for policy and administration in Financial and Investment matters. The people engaged in the management at Synod wish to play a more significant role in advising and supporting treasurers. Accordingly, do not hesitate to contact these people.

Notes:

A “Chart of Accounts” is available to you. Use of these accounts will simplify the preparations of returns to Presbytery, Synod and Government.

1. **This document** should be kept in a safe place along with your data backups and system software. Church Councils are asked to make the reading of this document mandatory for all new treasurers.
2. The preferred software solution recommended by Synod is **MYOB Business Basics**. It allows you to easily establish your chart of accounts and set up your BAS (Business Activity Statement). In addition, there is a simple MYOB UCA workbook available to guide you through the computerising of your accounts and the preparation for BAS.
3. For help call 3377 9901, this is the line to the Chief Financial Officer. Other members of staff can be contacted on 3377 9794, and 3377 9765.
4. A treasurers’ forum website is available to treasurers which lists the latest developments at www.ucaqld.com.au.



Financial Management

The effective stewardship of resources in the Uniting Church in Queensland and its agencies is demonstrated by responsible management and development of these resources and their flexible utilisation across the Church for the purpose of mission. At the same time there is a culture of self-reliance, initiative and sustainability with regard to management and mission initiatives. Good stewardship is seen as a corporate and individual responsibility and privilege. Good stewardship is demonstrated by innovative strategies and appropriate risk-taking and risk management processes. The Church is infused by an ethos of generosity.

Financial Management is a process which generally involves a number of people in the collection and management of financial information for the local church / congregation / agency.

It will involve:

- ❖ Planning for the future ... that process used to estimate the income and expenses for the New Year, broken down into months (commonly called a budget).
- ❖ Accounting for the income and expenses ... the entry into a system of the income and/or expenses generated in the period.
- ❖ Reconciling bank balances ensuring the monies held in the bank account match that identified in your system.
- ❖ Preparing reports for Church Council, and the Congregation meetings.
- ❖ Review income against budget checking income, allowing you to inform council of variations to budget.
- ❖ Review expenses against budget checking expenses, allowing you to inform church council of any variations to budget.
- ❖ Using the results of the reconciled accounts for decision making deciding if the cash flow will allow expenditure.
- ❖ Compare prior periods for trend analysis developing a view of how things are progressing.
- ❖ Compare like annual activities, etc.
- ❖ Completing annual returns.



Chapter 2 Do You Know

Here are some critical questions that should be reviewed any time a new treasurer takes the role, or as a quick reflection on the health of the accounts for current treasurers.

Do you know?

- ♦ How much money is held in the various bank accounts?
- ♦ What interest rate is earned on investments and are there better alternative UCIS rates?
- ♦ What was spent in the last quarter, last month, same period last year?
- ♦ What is the main source of income?
- ♦ How do I handle cash transactions arising out of Weddings and Funerals?
- ♦ What internal controls exist over offerings and main income streams of the church?
- ♦ Are you eligible for any Grant money?
- ♦ Are bequests handled properly?
- ♦ Does your congregation receive rents from a manse?
- ♦ Have the congregation provided for ongoing repairs to the manse?
- ♦ How are fundraiser and income for weddings handled?
- ♦ How much is owed and to whom?
- ♦ Have all obligations been met on a timely basis ...loans etc?
- ♦ Was a budget set, and how is this tracking against actual income and expenditure?
- ♦ Are there new mission activities planned and how are they to finance?
- ♦ Do you know how to set a Mission action budget for these activities?
- ♦ Is an annual return submitted?
- ♦ Has the BAS statement been completed on time and regularly?
- ♦ Have all chequebooks been accounted for and are all signatures current as approved by the church council.
- ♦ Has the minute book been reviewed as part of the audit?
- ♦ Are the accounts audited?
- ♦ What type of assets does the church own?
- ♦ Is an annual return submitted yearly?

If you are unable to answer any of the questions raised then a review of the accounts and procedures is warranted. A more complete list is contained within this manual “**Audit Checklist**”. The audit checklist provides a useful tool for treasurers and auditors as to the major points of internal control facing most congregational activities.



Chapter 3 What You Will Need – (General Information)

The basic tools you will need are as follows:

- ♦ A multi-column cashbook or computerised accounting software. The Synod recommends MYOB.
- ♦ A Training Manual from The Synod Office if you use MYOB. This is included in this manual.
- ♦ Uniting Church GST Manual.
- ♦ Access to the Web or Synod to verify ABN Numbers.
- ♦ A filing system for invoices.

3.1 Appropriate Records

- ♦ A receipt book containing forms of receipts printed in duplicate and numbered.
- ♦ Cash payments book. Vouchers and Invoices.
- ♦ Bank reconciliation.
- ♦ Records of accounts from financial institutions e.g. (Bank Statements).
- ♦ List of Investments and Grants.
- ♦ A Petty Cash Book, if applicable.
- ♦ A register of assets.
- ♦ A Record of resolutions and discussions re financial matters needs to be recorded in the Church's Minute Book.
- ♦ A way of preparing Mission Budgets.

3.2 Tools Available From UCIS

- ♦ A UCIS Bank account with Cheques and Deposit Books.
- ♦ The Treasurers' Guide to Easy Effective Banking with UCIS – Copy attached.
- ♦ Direct Debiting Kits –A kit to promote direct debiting among congregations - Copy attached.
- ♦ Mutual Support Scheme Kit – Copy attached.
- ♦ Telephone and on-line banking.
- ♦ Table listing the type of accounts available from UCIS.



Chapter 4 What You Will Need (Accounting Records)

4.1 Cash Book

If you are not using MYOB First Accounts or Business Basics you will need a manual cashbook.

A good cashbook will contain the following information:

- (i) Date cheque drawn or receipt issued,
- (ii) Cheque or receipt number,
- (iii) Details of the cheque payee or the person from whom the monies were received,
- (iv) Details of what the cheque or receipt are for (eg cheque for payment of electricity account or receipt for donations),
- (v) The amount of the cheque or receipt.

For receipts a total banking column is also useful.

Each receipt and each payment needs to be entered into the book. These details entered to the book are those on the cheque butt and the duplicate receipt books. Usually one side of the book is for receipts, the other for payments.

An example of a cash receipts book page may look like this:

Bayliss Street Uniting Church Cash Receipts Book											
Date	Receipt No	From	Total Amount	Offering Loose	Donations	Appeals	Grants	Hall Hire	Interest	Other	
1/11/2002	1	G Carr	10							10	Sale of light
2/11/2002		Sunday Offering	2000	1000	100	900					
10/11/2002	2	S Dood	500					500			
15/11/2002	Bank St	UCIS	334						334		
			2844	1000	100	900		500	334	10	



Similarly, the payments side may look like this:

Bayliss Street Uniting Church Cash Payment Book											
Date	Cheque Number	Payee	Total Amount	Stipend	MSF	CEM	Travel	Electricity	Telephone	Other	Details
1/11/2002	100023	Synod Office	711	711							
2/11/2002	100023	Synod Office	100		100						
10/11/2002	100023	Synod Office	10			10					
15/11/2002	100024		256					256			
			1077	711	100	10	0	256	0	0	0

Key controls include:

- ♦ Receipts and cheques are written up in numerical sequence.
- ♦ Selection of headings need to be appropriate for the entity (refer to last years accounts for larger account dissections).
- ♦ The book must be both balanced and added each month. The totals should form the basis of the treasurer's report to the Church Council.
- ♦ The total of the dissections must equal the sum of the banking column (receipts) or the amount column (payments)

4.2 Cash Receipt Book

A cash receipt book can be obtained from any newsagent. An example of a pre-numbered carbon duplicate receipt book is as follows:

Bayliss Street Uniting Church		Receipt No 234	
ABN 25 564 589 259			
Date	<u>3/12/2002</u>		
Received From	Brad Jones		
Amount	<u>20</u>	Words	Twenty Dollars
Details	Proceeds from Car Boot Sale		
Signed By	Treasurer		



4.3 Deposit Book

Deposits can be made at any bank via a correctly filled out deposit form. These vary from bank to bank and are available from your bank. If you have a U.C.I.S account there are three main ways you can make deposits into your U.C.I.S at-call accounts.

Option 1:	Send us a cheque in the mail, along with a U.C.I.S deposit slip.
Option 2:	With a personalised U.C.I.S deposit book. You can use this book to get your money into your U.C.I.S account over the counter at any Westpac branch or agency in Queensland .
Option 3:	Over the phone, by talking to one of our Customer Service Officers, who can electronically transfer your funds into your U.C.I.S account from your external bank account.
Option 4:	Using Business Express Deposit through Westpac (see below for further details).

Depositing funds over the phone with *Open Sesame*

Those congregations with access to a nearby Westpac branch can deposit funds into their U.C.I.S accounts over the counter at Westpac with a U.C.I.S deposit book.

But even if you don't have access to a Westpac, you can still electronically transfer funds into your U.C.I.S account from your local bank, building society or credit union account.

To establish this arrangement, you firstly need to contact U.C.I.S, and we will mail you an *Open Sesame* application form. *Open Sesame* enables you to transfer funds between your U.C.I.S account and your pre-nominated external account, held in the same name as your U.C.I.S account.

So whenever you wish to deposit funds into your U.C.I.S account, you phone UCIS on 1300 655 653, quote your *Open Sesame* password, and tell UCIS the amount you wish to transfer from your bank account to your U.C.I.S account.

U.C.I.S will then draw the funds electronically from this account and into your U.C.I.S account, at no cost to you.

What is Business Express Deposit?

Business Express Deposit is an ideal way to bank funds while avoiding bank queues. It allows you to bank cheques into your U.C.I.S account through any Westpac branch, using Business Express Deposit (BED) envelopes. There are no fees for this service.

If you wish to use this facility, please telephone U.C.I.S on 1300 655 653, and request a supply of BED envelopes. Once received, you can insert cash and cheques into the envelopes, along with your deposit slip, and take them to any Westpac branch. Each envelope has a tamper proof seal for security purposes, as well as a tear-off strip to use as a record of your receipt.

You then lodge your deposit over the counter or into the in-branch deposit chute at any Westpac branch. Westpac branch staff will process your deposit after you have gone, and you will be contacted by U.C.I.S if there is any discrepancy in the amount. If you require immediate verification of cash deposited, simply present your deposit to be counted while you wait.



Making deposits after hours

For an annual fee through Westpac, you can also apply for a key to the **Night Safe** at your local Westpac branch. This enables you to deposit your envelopes 24 hours a day, 7 days a week. Please note that not all Westpac branches have a Night Safe.

4.4 Cheque Book

A cheque book will facilitate the payment of accounts and is available from your bank. The Synod requires that the Church council minutes the authorising of the opening of the account and relevant signatures. This is designed to prevent anybody opening an account in the church's name, without authorisation of the church council.

A cheque account can be obtained from U.C.I.S. New Account Application Form for UCA Organisations and Congregations must be signed by at least two signatories, who will be authorised to operate the account. Under Synod By-laws, you need two people to sign whenever you withdraw money from an account.

If you have a cheque book facility linked to your U.C.I.S at-call account, you would normally pay your congregation's bills by cheque, and would not need to withdraw funds in these instances.

However, if you don't have a cheque book facility, the most common way of making withdrawals is to mail U.C.I.S a completed withdrawal form. U.C.I.S will then transfer the requested funds into your selected account, or if you prefer, send you a cheque in the mail.

You can also make withdrawals from your U.C.I.S at-call account through our telephone transfer facility, *Open Sesame*. On your application form, you simply provide details of a nominated account at any financial institution into which you would like funds transferred from your U.C.I.S at-call account. (Open Sesame also allows you to transfer money into your U.C.I.S account, from your pre-nominated external account.)

Once U.C.I.S has set the facility up for you, you phone or fax U.C.I.S with your withdrawal requests, and your funds will be transferred into your pre-nominated account.

If possible, please ensure you contact U.C.I.S with your request before 11am on any working day to ensure same-day transfers, so that your funds will be available from your pre-nominated account the next morning.

Using your cheque book

You can apply to have a cheque book facility attached to your Parish Collections Plan or Ready Access account, or any other at-call account related to an associated congregational activity which is non-commercial in nature (e.g. Youth Group account, Fellowship accounts).

You can use your cheque book to pay bills on behalf of your congregation. Please ensure that there is enough money in the account to cover your cheque amount.

You can also cash cheques with your U.C.I.S cheque book at your nominated Westpac branch (cash limit of \$500 per day applies). However, you must first make prior arrangements with U.C.I.S for this facility to be established.

Paying bills by direct debit

While paying bills with your U.C.I.S chequebook is convenient, there's an even easier option. If you prefer, you can authorise outside parties to electronically debit your accounts. So if you have



regular bills to pay – for instance, lease payments on office equipment – the money can be automatically debited from your accounts without the need for you to write cheques. You just have to check with your biller that they have direct debit as one of their payment options. If not, simply continue to use your cheque book to pay those bills.

4.5 Bank Statements

Once an account is opened by a congregation a bank statement will be sent by your bank detailing the transactions that occurred during the statement period. The bank statement is used via a bank reconciliation to check that the records kept by the treasurer do in fact agree with the records of the bank.

It is wise to ask that your bank statement be received monthly.

4.6 Using Computers for Records



With the growth of computers and readily available software the treasurer may decide to use a computer accounting package. The Synod has recommended MYOB Business Basics as the preferred package. The Synod is recommending MYOB for the following reasons:

MYOB Business Basics is fully supported by the Synod. A help desk operates Monday to Friday on 3377 9777.

- ♦ The Synod offers on site training in rural areas.
- ♦ The Synod for congregations in the South East corner can offer a full one to two day training course which can accommodate up to six people.
- ♦ The Synod has prepared a training manual for MYOB specifically for the Uniting Church. A copy can be obtained from the Synod Office.
- ♦ The Synod can assist you in the purchasing of MYOB at wholesale prices. Demonstration copies are also available from the Synod office.
- ♦ A standard chart of accounts has been set up for MYOB for the Synod. This Chart of Accounts allows you to complete a computerised annual return.
- ♦ MYOB is recommended by accountants. In most instances a congregation can approach a local person with MYOB experience.

Windows Installation:

- ♦ PC with Pentium processor (or equivalent) @ 200MHz or better with at least 32MB RAM.



- ♦ Hard disk with at least 200MB free.
- ♦ 16-bit colour, 800x600 screen resolution.
- ♦ Windows 98, 2000, ME, XP or later or Windows NT 4 (Service Pack 6) or higher.

Backups:

- ♦ To facilitate effective backups, a CD backup or a removable drive solution such as a ZIP disk is recommended.
- ♦ Some features (eg. email) require:
 - Internet access
 - Version 4 or higher of either Microsoft Internet Explorer or Netscape Navigator
- ♦ MYOB Business Basics includes:
 - MYOB Business Basics Getting Started guide
 - MYOB Business Basics User Guide
 - MYOB Business Basics program on CD
 - Registration Form (to be completed and returned to MYOB Australia)
 - 30 days of MYOB Installation Support from registration

Ongoing Support for your Product

For ongoing assistance with your MYOB Business Basics, you can choose from a range of support and training options.

The Synod Office

The Synod offers a free help line Monday to Friday. A manual is available, specifically prepared for treasurers. The manual can be accessed via the web at www.ucaqld.com.au or we can send you a hard copy or on CD.

Training is available individually throughout Queensland or at the Synod office.

MYOB

Subscribe to year-round MYOB Technical Support

If you want to talk to someone about your MYOB software, receive the latest software tips and techniques and keep up with any changes in the business environment, subscribe to year-round.

Access MYOB Technical Support on a Pay Per Call basis on **1300 555 128**.

If you do not subscribe to year-round access to MYOB Technical Support, you can still call MYOB on an as needs basis. Calls are charged by the minute with a minimum call cost.



Chapter 5 The Money That Comes In (Income/Receipts)

At the local church level it is very important that the collection, counting, recording, banking of all receipts must be controlled. There are a few key points, followed by a table that covers a wider range of checks when auditing a system.

5.1 Offerings

Promptly after each Church service the collections should be counted and checked by at least two persons who should then enter particulars on a collection record (register of services and later the accounts system).

Bayliss Street Uniting Church

Breakdown	Numbered Envelopes	Unnumbered Envelopes	Loose Plate	Sunday School	Appeal	Other	Total
Cheques							\$
\$100							\$
\$50							\$
\$20							\$
\$10							\$
\$5							\$
\$2							\$
\$1							\$
50c							\$
20c							\$
10c							\$
5c							\$
				Total Cheques			\$
				Total Notes			\$
				Total Coin			\$
Totals	\$	\$	\$	\$			\$
Date	Name		Signature				
	Name		Signature				

It is very important to clearly identify offerings into Loose, Envelopes (Including Envelope numbers if appropriate) and details of any specific offerings, eg The Lenten appeal. Most errors occur when there is insufficient information recorded. The recording of this information should be done prior to the envelopes being destroyed. Two people are to sign the record, a copy of which is held for the audit.



5.2 Other Income

Receipts other than offering should be handled in the following manner:

Any receipting system must be able to show:

- ♦ The date monies were received,
- ♦ The source of the monies (i.e. who from), and
- ♦ The purpose of the money.

Keeping a pre-numbered carbon duplicate receipt book usually does this. A copy is required as a record of the transaction, and is a replica of the original transaction in case it is ever queried. An example is as follows:

Bayliss Street Uniting Church	Receipt No 234		
ABN 25 564 589 259			
Date	<u>3/12/2002</u>		
Received From	Brad Jones		
Amount	<u>20</u>	Words	Twenty Dollars
Details	Proceeds from Car Boot Sale		
Signed By	Treasurer		

Key Controls include:

- ♦ The receipt book /Offering Register should be pre-numbered. This establishes a unique number for each transaction. It also aids writing up the transaction in the cash book (discussed later).

Section 5 of the Regulations states: *“The proper use of approved methods of accounting is required in relation to all funds of the Church. The body responsible shall keep proper books of account in which shall be entered an account of all receipts and disbursements received or made, of all credits and debts owing or due and of all matters necessary for the due and full explanation of same, and the body responsible shall, upon the request of the chairperson of the Church Council or other appointing body or the Synod Property Officer or any person authorised by any of them, produce the same together with all supporting or relevant accounts, receipts, documents and writings for inspections, and shall permit extracts therefrom or copies thereof to be made by any such officers or persons authorised as aforesaid.”*

- ♦ The receipt or offering register should be stamped/printed with the Congregation’s name at the top of the document. NB: the stamp is an important control item that should be securely held.
- ♦ The receipt should record the amount in both numbers and words (this can aid in the reconciling process where the cash disagrees with the total of receipts).



- ♦ If a receipt is damaged or there is a major error, do not destroy the receipt. Rather, cancel the receipt (draw lines across the receipt and mark “cancelled” and *leave the original receipt in the book*).
- ♦ If there are minor errors in the receipt make the necessary change, and initial the change.
- ♦ A receipt /Offering register should be written out as soon as possible after the money is received (this prevents the treasurer from accidentally spending the money at a later stage!).

Sometimes it may not be possible to record the names of all people who contributed money. For example, the total receipts from special dinners, fundraising, etc. A separate sub-committee may conduct such activities. For example, the Church youth group, women’s and men’s fellowship, which is responsible for the collection of cash on the day. The treasurer is usually in a position where he/she needs to later work “out the mess” and try to reconcile the actual cash received with the different sorts of paperwork produced by the sub-committees.

In these situations, an alternative method of receipting must be adopted. Preference is for a standardised form, which is signed by both the treasurer (when monies are handed to him for banking), and also the person who was initially responsible for collecting the money. It is imperative that the activity for which the money is received is clearly identified.

Bayliss Street Uniting Church		No	1
Date	<u>3/12/2002</u>		
Activity	Youth Group		
Project	Car Boot Sale		
Total Cash given to treasurer		\$	300
Less float from treasurer (If applicable)			50
Total Receipts			250
Signed as being a true record			
Treasurer		Activity Co-ordinator	

It has come to our attention that in some instances small sub-committees net off receipts and payments giving the balance to the treasurer. It is important at this time to identify any cash payments associated with the receipt and have both receipts and payments recorded correctly. When receipting moneys for small sub-committees and fundraisers check that appropriate documentation exists for GST free items (refer Uniting Church GST manual) and that GST to be remitted to the government is clearly identified.

Key Controls to be adopted include:

- ♦ Both the Treasurer and the person in charge must counter sign each form.



- ♦ The total of all the activity sheets received by the treasurer must be reconciled to the total banking.

5.3 Banking of Receipts

Finally, receipts taken by the treasurer must be banked on a regular basis. This does not mean monthly, but more usually at least weekly so as to reduce the possibility of theft of funds (or worse still being accidentally spent). As most Congregational funds are received on Sunday banking should be made first thing on Monday. If possible you should approach your local bank for access to a night safe.

Adequate provision for the safe deposit of funds after banking hours should be made to ensure that the funds are safe and that the safety of the members of your congregation is upheld. ie Keeping the Sunday offerings in a jar under the pulpit may create some issues.

The banking should also be done intact, ie the total of the banking should equal the total of all receipts since the last banking. The total of all the receipts should be recorded in the cashbook and agreed to the subsequent bank statement. When lodging the cash/cheques with the bank it is good practice to write the receipt numbers to which the banking relates on the bank deposit sheet. This aids the audit trail of the receipting process.

Do NOT use receipts to make any form of payment.



Chapter 6 The Money That Goes Out (Expenses/Payments)

Similar to receipts, the Church must have a good system for recording cash payments. With the exception of small payments, all Congregational payments should be made by cheque. Small payments may be made from a petty cash float (See Section 6.3 Petty Cash Payments). All payments above \$100.00 should be made by cheque.

The chequebook is a very valuable asset of the Congregation and should be kept in a safe place and NEVER have signed cheques left in the chequebook. It is surprising the number of chequebooks that require two signatories, which are pre-signed by one person. This practice seriously puts at risk the cash security of the congregation's funds.

A Congregational Chequebook can be obtained from UCIS (Refer to Chapter 7 Investments of this manual).

The treasurer should ensure that all chequebooks operate on two signatures and that the Church Council has minuted who can sign cheques. A list of authorised signatures would normally include the Minister of the Word, Treasurer, Church Council Chairman, Church Council Secretary, and two other members of the Church Council.

With the introduction of GST the treasurer needs to ensure that the invoice complies with the GST legislation. The tax office will disallow any refund of GST on an unapproved GST invoice. Things to consider are as follows: (consult the GST manual for a fuller explanation)

- ♦ The invoice must have the wording "Tax Invoice",
- ♦ The ABN number,
- ♦ Must reflect how the GST is handled.

It is important to note that the treasurer is responsible for verifying that the ABN is a valid number and that the business is registered for GST. If the business is not registered for GST (they still may have a ABN number) then the congregation is foregoing a GST credit. This is a very important point to clarify before any contracts are awarded. A web site is available to check if a business is registered for GST.

If an invoice bears no ABN number then you are obliged to withhold 48.5 % of the payment. This applies no matter whether you have an ABN or not. If the supplier of goods and services does not quote an ABN, payment is withheld, unless:

- ♦ Payment is for Salaries and Wages,
- ♦ An ABN is known,
- ♦ Payment is less than \$50.00,
- ♦ Payment is for an individual for a hobby (Make sure you acquire the appropriate approved declaration,
- ♦ Investment payment (tax file numbers apply).



As the Uniting Church is exempt from income tax, PAYG withholding tax should never be deducted from payments to the Uniting Church and its sub-entities.

With GST it is critical to ensure that a tax invoice is received. Some payments may need to be made and a tax invoice may not be available. Examples of such payments: travel reimbursement for the minister and payment from offerings relating to an appeal (eg Lenten appeal). In these situations a voucher must be prepared which acts as evidence of the payment. An example of such a voucher is:

Bayliss Street Uniting Church Payment Voucher			
Date :	31/12/2002	Cheque No	248
Payee:	Glen Ingram Travel Reimbursement 50		
For:	Kms		
Amount:	\$20.00		
Required By :	_____		
Authorised by:	_____		

Key Payment Controls include:

- ♦ Keeping the chequebook in a safe place.
- ♦ An invoice or payment voucher must support each cheque payment.
- ♦ Before payment, each invoice should be checked for accuracy. The treasurer (or other person who engaged the expense on behalf of the Church must approve each invoice. For payment of stock, the officer acknowledges receipt of that stock) – a signature on the invoice or voucher should evidence this.
- ♦ When paid, the cheque number MUST be written on the face of the invoice so that it is not paid twice. Similarly, the invoice/voucher can be stamped “PAID”.
- ♦ All supporting documentation, whether it be invoice or voucher, must be filed in cheque number order. This ensures that the payment file represents a complete record of the purpose and authority of each payment made. It also means that the auditor has an easy job locating documentation at the time of audit.
- ♦ Church Council records should be kept identifying those whom it authorised to be bank signatories. Two authorised Church Council representatives should sign each cheque. Usually this means the treasurer and one other. It is good practice to record some 4-5 cheque signatories with the bank – in this way, if someone is away, payments are not held up.
- ♦ When signing cheques, the original documentation should be presented to the signatories for review.
- ♦ All relevant details must be recorded in the cheque butt. That is, the date of payment, payee, amount and the purpose.
- ♦ If cheques are made out incorrectly, cancel the cheque by writing “cancelled” on the face of the cheque. This should be retained in the chequebook.



6.1 Stipend and Associated Costs

One of the largest payments made by a congregation will be for Minister's Stipends and associated costs. The Ministerial Support Funds Committee sets the Ministers' Stipend and Allowances yearly. Revised figures for the forthcoming year are sent to the treasurers along with cash remittance forms for the year around the third week in December. This information is communicated via AdMinistry immediately they are available to assist you with the budget preparation for the New Year. A copy of the 2003 notice is as follows.

6.2 Stipend and Allowances Payments

Increases in Stipend, Allowances and other related expenses are as follows:

		Per Annum	Per Month (Parish)	Per Month (Agency)
Minimum Stipend	Minister of the Word	\$XX,XXX	\$X,XXX	\$X,XXX
	Deacon/Deaconess			
	Lay Pastor			
	Youth Worker - Accredited			
House Allowance		\$X,XXX	\$XXX	\$XXX
Basic Travel Allowance		See notes on travel		
Beneficiary Fund	Agency/Parish Levy	\$X,XXX	\$XXX	\$XXX
	Personal	\$X,XXX	\$XXX	\$XXX
Superannuation Guarantee Charge	Parish/Agency 9%	\$X,XXX	\$XXX	\$XXX
	Personal 5%	\$X,XXX	\$XXX	\$XXX
Home Acquisition Fund	Personal	\$XXXX	\$XXX	\$XXX
	Agency Only	\$XXX	(NIL)	\$XX
Continuing Education for Ministers (CEM)	Parish/Agency	\$XXX	\$XX	\$XX
Sickness and Accident Assistance Plan		\$XXX	\$XX	\$XX
Work Cover		\$XXX	\$XX.XX	\$XX.XX
Long Service Leave – Agency Levy		\$XXX	NIL	\$XX

It is important to note that the minister and staff are paid directly by the Synod Office. The pay office is contactable on 3377 9732 for any payroll questions.

6.2.1 Travel Allowance Payments

The Travel Allowance rate is to be negotiated between the Minister and the congregation in accordance with the schedule recommended by the Ministerial Support Funds Committee. The figures for 2003 for travel are listed below:

Rate No.	Kilometres Travelled	Allowance Per Annum	Allowance Per Month
1	Up to 10,000 km	\$6,900	\$575
2	10,000 to 12,500 km	\$7,308	\$609
3	12,500 to 15,000 km	7,752	\$646



4	15,000 to 17,500 km	\$8256	\$688
5	17,500 to 20,000 km	\$8,808	\$734
6	In excess of 20,000	+ 22 cents/km	+ 22 cents/km

6.2.2 Supply Ministry Payments

It is important to note that when a minister is on short term supply that only the Stipend, beneficiary fund and work cover on cost need to be paid. In some cases with the agreement of the Church Council and the minister, the travel and house allowance may be paid.

6.2.3 Long Service Leave Arrangements

In relation to Long Service leave the following will apply:

The Congregation will continue to pay to the Synod Office:

For the Minister on Long Service Leave

- ♦ Minister's Stipend,
- ♦ Beneficiary Fund Levy,
- ♦ House Allowance (if applicable),
- ♦ All 'on costs' that would normally apply e.g. CEM, SAAP, Work Cover, etc,
- ♦ The congregation will **not** be obliged to pay a travelling allowance while its minister is on long service leave.

The Congregation will pay:

For the Supply Minister

- ♦ Basic Travel Allowance (or travel reimbursement for mileage).

The Long Service Leave Fund will pay:

For the Minister proceeding on long service leave

- ♦ A personal grant which is 5% of the basic stipend (\$576.80 per month),
- ♦ Standing costs component of the travelling allowance (\$386.00 per month).

For the Supply Minister

- ♦ Basic stipend \$2,884 per month,
- ♦ House Allowance \$721 per month (if a manse is not provided by the congregation),
- ♦ On-costs such as Work Cover (\$27.50 per month) and Superannuation or Beneficiary Fund where applicable.

6.2.4 Special Payments

Effective from 1 July 2002, the Taxation Laws Amendment Bill No. 5 (168 of 2001) states that "an entity must withhold an amount from a payment it makes to a religious practitioner for an activity, or a series of activities, if:



- (a) the activity, or series of activities, is done by the religious practitioner in pursuit of his or her vocation as a religious practitioner; and
- (b) the activity, or series of activities, is done by the religious practitioner as a member of a religious institution; and
- (c) the payment is made by the entity in the course or furtherance of an enterprise that the entity carries on.”

The effect of this new law is that many of the payments which have historically been paid directly to the minister by the Congregation are now subject to PAYG withholding tax. It is now required that all future payments which might attract withholding tax be included in the monthly remittance advice to the Synod office. This will ensure that tax is deducted at the lowest possible rate and avoid the issue of multiple group certificates. The only exception to this requirement is where the minister is engaged on a supply basis for not more than 2 days per 3-month period.

Any claim for reimbursement of expenses from Ministers of the Word, Deacons, Deaconesses, Lay Pastors and Youth Workers must be supported by a copy of a tax invoice displaying an ABN number. Without supporting invoices, the reimbursement will be processed through payroll and will attract PAYG withholding tax.

Any claims for extra payments not supported by a tax invoice which have been received since 1 July 2002 and payment requests received in the future will be processed through the payroll and will be taxed with PAYG withholding tax.

An example of types of payments, which may attract PAYG withholding tax, is as follows. This list is not exhaustive and is not limited to the following:

- ♦ Student assessment/marking fees,
- ♦ Fees for writing lectures and conducting courses.
- ♦ Motor Vehicle travelling expenses which are paid on a cents per kilometre basis i.e.
 - travel to Presbytery meetings,) Travel equalisation
 - travel to Synod,)
 - travel for Continuing Education,
 - travel reimbursement for Holidays (remote locations only),
 - Leadership Development for distances greater than 100 km,
 - Mentor Scheme for distances greater than 100 km.
- ♦ Travel Expenses (not pre-paid and supported by a tax invoice).
- ♦ Cash gifts for:
 - Bereavement,
 - Celebration of ministry to assist with travel of the minister or spouse.
- ♦ Performing weddings, funerals and baptisms.
- ♦ Payments for visiting and performing a service, i.e. (\$40.00 for the first service - \$20 for any extra service on the same day). Cents per kilometre payments for travel to perform the service will also apply.



- ♦ Payment received for writing and sale of books (PAYG tax is not applicable if an invoice displaying an ABN number is submitted with or at the request for payment).
- ♦ Payments for sale of self-recorded CD's (PAYG tax is not applicable if an invoice displaying an ABN number is submitted with or at the request for payment).
- ♦ House Allowances paid in cash to a minister.
(House Allowances which are paid direct to Rental Agents and to offset Mortgage Payments are exempt from PAYG but cash paid to the minister in lieu must be forwarded to be processed through payroll.)

If your payment type is not listed above and you are unsure if PAYG withholding tax applies, please do not hesitate to contact the Payroll Department on 07 3377 9732

6.2.5 Sickness and Accident Policy

This Fund is designed to provide assistance to Congregations where the provision under the Workers' Compensation Act does not apply.

The Stipend/salary of Ministers of the Word, Deacons, Lay Pastors, Youth Workers, Congregation Christian Education Staff and Congregation Assistants, is still clearly the responsibility of the Congregation or appointing body, as long as the settlement/appointment remains current. For those belonging to the Assembly Beneficiary Fund, provision is made for temporary retirement in the event of prolonged illness. (This refers to Ministers of the Word and Deaconesses).

Therefore, should the period of incapacity be in excess of six months, the Presbytery should confer with the minister and the Congregation or other appointing body, in a review of the life and witness of the Congregation or other work.

Eligible Staff

Participation is compulsory for all Congregations, Presbyteries and Synod Departments. Full-time Ministers of the Word, Deacons, Lay Pastors, Youth Workers, Congregation Christian Education Staff and Congregation Assistants in settlements/appointments approved by the Placements Committee.

Participation is compulsory for all Congregations, Presbyteries and Synod Departments, where settlements/appointments are in place and where eligible staff are employed. Other Agencies may also participate where eligible staff are employed.

The Fund covers eligible staff for 24 hours a day, 7 days a week.

Benefits

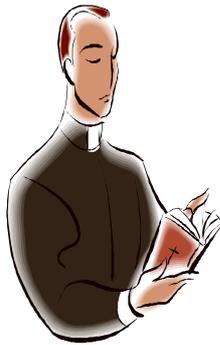
The Fund will reimburse the Congregation or appointing body up to 100% of current stipend/salary per week. This reimbursement is made for all additional expenses actually incurred (i.e. the costs for Supply Ministers of the Word, Deacons, Lay Pastors, Youth Workers etc), as a result of the eligible staff member being unavailable for duty, due to sickness or accident, which is not the subject of a Worker's Compensation Claim, provided that:

1. A claims exemption period of the first 14 days applies from the date of accident or the date upon which, in the case of illness, a Medical Practitioner certifies that the eligible staff member is unable to work, (that is, no reimbursement will be paid for the first 14 days).



2. Benefits will not be paid beyond the date of the Minister, Deacons or Youth Workers taking up any benefits available from the Assembly Beneficiary Fund, or 12 months from date of accident or initial medical certificate in relation to illness, whichever date comes first
3. Each Congregation or other appointing body will pay to the Fund (through the Department for Financial & Property Services), the sum of \$17 per month in respect of all eligible staff to be covered by the Fund.

Example 1:



A Minister of the Word is sick for 8 Weeks, therefore with the exemption period; the claim is for 6 Weeks. The Minister of the Word's total ministerial expenses for the 6 weeks is \$7,600.00.

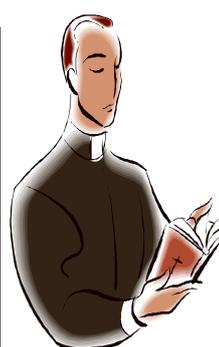


During the 6 weeks, the Congregation has also paid a Supply Minister of the Word \$7,000.00 in ministerial expenses. Since the Sickness & Accident Fund will pay up to 100% of current stipend/salary per week, the Fund will reimburse the Congregation \$7,000 for the additional expenses incurred.

Example 2:



A Minister of the Word is sick for 8 Weeks, therefore with the exemption period; the claim is for 6 Weeks. The Minister of the Word's total ministerial expenses for the 6 weeks is \$7,600.00.



During the 6 weeks, the Congregation has also paid a Supply Minister of the Word **\$8,100.00** in ministerial expenses. Since the Sickness & Accident Fund will pay up to 100% of current stipend/salary per week, the Fund will only reimburse the Congregation \$7,600 for the additional expenses incurred.

Where an eligible staff member dies in placement or during an appointment, the Congregation or appointing body may make a claim to a maximum of \$200 per week for six months in the following situation:

- ♦ where his/her family is allowed to remain in the Congregation's manse,
- ♦ or his/her family is provided with accommodation for a period not exceeding six months.

PLEASE NOTE THAT ALL THE BENEFITS PAID FROM THIS FUND REPRESENT REIMBURSEMENT OF MONIES EXPENDED. (COPIES OF EXPENDITURE DOCUMENTATION MUST BE PROVIDED WITH THE CLAIM FORM.)

Monthly contributions paid into the Fund and weekly benefits payable to a Congregation or Agency will increase automatically with stipend/salaries. The rental assistance benefit is subject to C.P.I. Brisbane Rate increase.

THIS FUND IS AN INTERNAL QUEENSLAND SYNOD FUND THAT IS NOT TRANSACTED THROUGH AN INSURANCE COMPANY.



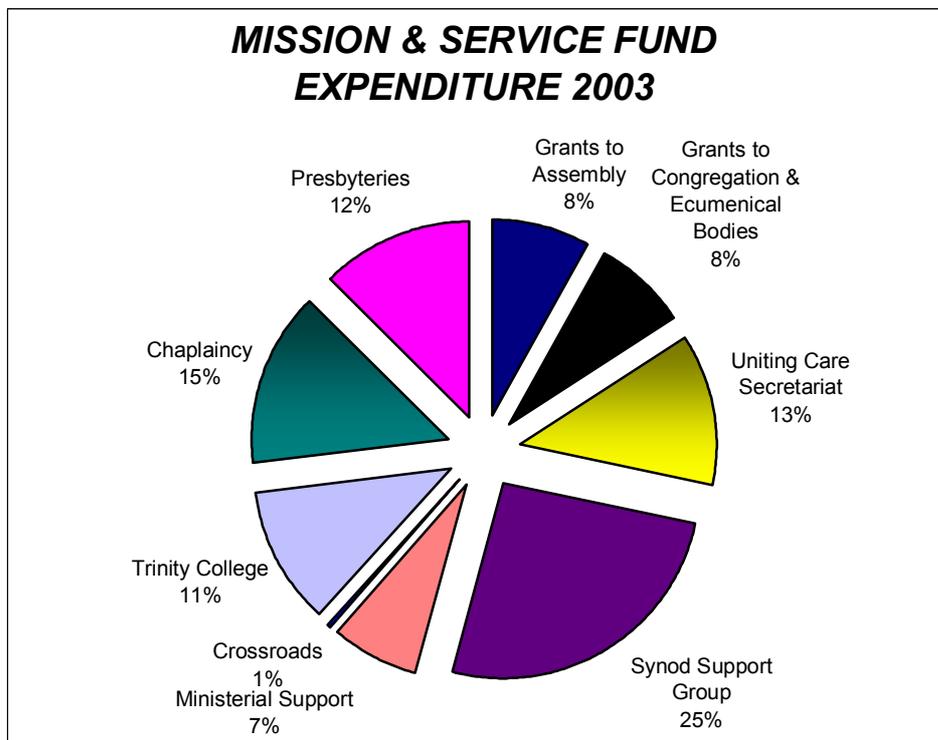
6.3 Mission and Service Fund



6.3.1 Mission and Service Fund Payments

The **Mission and Service Fund** represents a partnership between Congregations; Presbytery and Synod. The MSF is the Uniting Church in Queensland's way of sharing the financial support of mission equitably across the whole life of the church. It relies on the goodwill, prayer and support of all the congregations. The payment of the Mission and Service Fund is made via the monthly Cash Remittance. Congregations can actively participate in the Mission and Service fund via Mission 2003, 2004, etc.

The type of activities supported by the Mission and Service Fund are illustrated by the 2003 Mission and Service Budgeted Expenditure graphs.





6.3.2 Mission 2003

Mission 2003 will assist you and your congregation in the vital work we are all engaged in: building God's kingdom. The Uniting Church is engaged in mission all around this state, and beyond, through the activities of congregations, presbyteries, and Synod agencies. One way in which local congregations can participate in this mission activity beyond their own area is through Mission 2003 via the Mission and Service Fund.

The October 2002 edition of the Synod newspaper (See appendix) *Journey* contained a centre-spread section introducing Mission 2003. It listed the projects for 2003 and also contained a simple voting form.

Mission 2003 **is an optional process**. *Your congregation is not required to be involved in Mission 2003, but it is an opportunity that the Synod is extending to build understanding about the wider work of the church.*

For 2003, Mission 2003 involved congregations choosing up to three projects that they wanted to connect with (see list below). There are several ways a congregation can make this selection:

1. Each member of the congregation votes, and the results are tallied.
2. Church councillors vote.
3. Executive decision.

As in previous years, congregations that select a project will be contacted at least twice a year by the projects.

A. Congregation Form

Nominate three projects for your congregation to be linked with in 2003 by ticking the boxes. Refer to Mission 2003 centre-spread for more information on these projects.

Congregation: _____

- Bremer-Brisbane Presbytery
- Calvary Presbytery
- Mary Burnett Presbytery
- Moreton Rivers Presbytery
- North Queensland Presbytery
- South Moreton Presbytery
- The Downs Presbytery
- Trinity Theological College
- Mission Support grants
- New Church Development
- Growing Healthy Regional Churches
- Resourcing Suburban Congregations



- Developing the Western Region**
- Threshold Congregations**

B. The Cash Remittance Form

The Cash Remittance form is the way a congregation pays for expenditure such as Stipend and Allowances, Mission and Service Fund and other miscellaneous payments made by the Synod. The Synod Payroll Manager issues the Cash remittance forms once a year covering 12 monthly payments. These forms are sent to the treasurer in the third week of December.



Using the Cash Remittance form the congregation has three payment methods available.

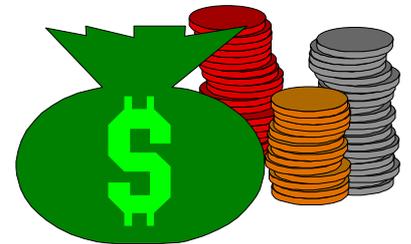
1. You can elect to have the Synod submit your cash remittance form to UCIS monthly so payment can be made via your PCP account. This is the simplest and most efficient way to reimburse the Synod for the payment of Stipend, etc.
2. The congregation can advise UCIS of an amount to direct debit the Synod Bank account monthly from your PCP account. Please contact Payroll for the Synod bank account details.
3. You can send your Cash Remittance Form to the Synod office with a cheque monthly.

6.4 Petty Cash Payments

Using any income, which has not been deposited to pay expenses, is improper and should be discouraged immediately. **All income is to be banked as received.** Any repayments are to be made by cheque or from petty cash.

To establish a petty cash system several steps must be taken:

- ♦ A suitable safe storage must be provided (a small cash box and a safe to keep it in).
- ♦ The drawing and cashing of a cheque will establish the initial float. "Float", the amount kept to provide a small available source of cash for repayment. A typical float could be \$100.00.
- ♦ The float size is determined as being sufficient to provide for normal weekly purchase of small items, i.e. stationery, etc.
- ♦ Vouchers or docketts obtained at the time the expense is incurred must support petty cash claims.
- ♦ Do keep a record of GST paid for future claims to the ATO.
- ♦ A claim should be completed, then audited and signed by two people before a cheque is drawn to reimburse the float.
- ♦ When the petty cash is replenished, the cheque issued must not exceed in total, the value of the original petty cash float less any cash remaining in the cash box.





A sample petty cash document is shown below:

Bayliss Street Uniting Church				
PETTY CASH CLAIM VOUCHER				
Date _____				
Cash Advanced /Cash Reimbursed (please circle one)				
Amount \$ _____				
Requested By _____				
Details \$	Amount	Account	Project Code	BAS Code
Total Claimed		Please attach receipts to this document		
Approval _____				
Received by _____				



Chapter 7 Investments

A good treasurer will ensure that all surplus funds are properly invested so that the Congregation maximises its revenues. Once invested, the treasurer must retain all correspondence from the bank and maintain an investment schedule, to provide proper accountability.

Key Controls:

1. Register should include details including:
 - ♦ Date of deposit,
 - ♦ Amount of deposit,
 - ♦ Interest rate,
 - ♦ Maturity date.
2. Investments must be lodged using the same controls as any payment. That is, authority for investing **MUST** be approved and minuted by the Church Council.
3. Similarly, the bank must be advised that the bank can only redeem investment proceeds into the Congregation's current account. This will prevent investments being rolled over into an incorrect account.
4. All investments over \$5,000 must be with UCIS.

7.1 Guidelines for investing with U.C.I.S

As you would appreciate, the Uniting Church is a wide and diverse entity, and on major policy issues such as the investment of funds there needs to be a consistent approach used to protect the Church's overall assets and investments.

Under Synod By-Law Q2.3.9, a maximum of only \$5,000 of a congregation's funds is permitted to be invested with a Synod approved financial institution outside of U.C.I.S. This amount is deemed to cover a congregation's day-to-day working capital requirements.

Funds in excess of \$5,000 should be invested with U.C.I.S to remain in line with Synod regulations.

If you need further advice or clarification, please contact UCIS on 1300 655 653, who can discuss the investment options available to you.

7.2 Overview of Services

No matter where in Queensland you are situated, you can access a comprehensive range of financial services at U.C.I.S to meet your congregation's needs.

This includes a number of savings and investment accounts, mission fundraising schemes, managed funds, and custom-tailored loans designed specifically for congregations.



Following is an overview of the accounts available. For more detailed information, product sheets are available on each of these accounts – telephone U.C.I.S on 1300 655 653.

Purpose	Accounts	Description
Everyday transactional needs	Parish Collections Plan Account	An at-call account for managing your congregation's day-to-day banking activities. Features include: unlimited deposits and withdrawals, no fees, monthly statements and cheque book access.
Everyday transactional needs	Ready Access Account	Similar to the Parish Collections Plan account, but offering quarterly statements and quarterly interest payments. Also an ideal account for groups within the congregation.
Investing surplus funds	Corporate Cash Manager Account	A cash management style account with at-call access and money market linked interest rates, tiered according to your balance. Suitable for congregations with a minimum of \$20,000 or more to invest.
Investing surplus funds	Fixed Term Deposits	U.C.I.S has a range of term deposits: fixed rate, fixed amount investments suitable for congregations wanting to lock away funds for a set period of time at a higher rate of interest than a U.C.I.S at-call account.
Saving towards a goal	Targets Savings Account	A savings account which enables your congregation to make regular deposits towards a savings goal, while offering a higher interest rate than your congregation's everyday account.
Diversifying investment funds	UCA Income and Growth Fund	A managed fund which aims to provide investors with a balance of both income and capital growth returns, from investments pooled in cash, property and shares.
Fundraising	Mutual Support Credit Scheme	A fundraising facility enabling congregation members to support their congregation simply by holding savings accounts with U.C.I.S.
Loans	Mutual Support Scheme Loan	A loan facility enabling congregations to pay off a loan with potentially little or no interest repayments, by enabling your Church members to offset your congregation's loan through their U.C.I.S savings accounts.



Chapter 8 The Stuff You “Own” (Assets)

8.1 Bank Accounts

The bank accounts are the most liquid asset and the one most at risk. It is important that we have good control over all aspects of the bank account. As well as cash payments and cash receipts controls mentioned in the manual, we need to complete a bank reconciliation. Generally it is the final step in completing the monthly records. We do this to check that the records kept by the treasurer do, in fact, agree with the records of the bank. How do we do this?

1. Ensure all bank statements for the month are on hand.
2. Tick each receipt appearing on the bank statement, which agrees with the banking total in the cashbook.
3. Other credits appearing on the bank statement (eg interest received, etc) should be now added to the income in the cashbook.
4. Tick each cheque payment appearing on the bank statement, which agrees with the payments detailed in the cashbook.
5. Other debits appearing in the bank statement (eg interest paid, bank fees, debits tax, etc) should be now added to the expenditure in the cashbook.
6. This process will now highlight certain items, including:
 - ♦ Cheques written, but not yet appearing in the bank statement
 - ♦ Deposits received not yet banked/credited in the bank statement
 - ♦ Other differences which must be investigated (ie the bank debits the account for \$200, yet the cheque butt says \$100)

An example of a bank reconciliation is as follows:

Bayliss Street Uniting Church				
Bank Reconciliation 31 December 2002				
Bank statement balance				4500.00
Less Outstanding cheques				
Date	Number		\$	
12/11/2002	235		400.00	
16/11/2002	245		<u>85.00</u>	485.00
Add : Outstanding Deposits				
Date	Receipt		\$	
21/12/2002	3003		<u>250.00</u>	250.00
				<u>4265.00</u>



To ensure we have completed the exercise correctly we cross agree what we think the cashbook has to what it actually has. To do this we complete:

Bayliss Street Uniting Church Bank Reconciliation 31 December 2002	
	\$
Opening cash position 1/12/2002	3505.00
Add : Cash receipts in cash book	4980.00
Less : Cash payments in cash book	<u>4220.00</u>
	<u>4265.00</u>

When both these calculations agree we say the bank is reconciled.

Key Controls:

- ♦ Do the bank reconciliation each and every month.
- ♦ Sign and retain a copy of the bank reconciliation (the reconciliation is usually done in the cash book).
- ♦ Clear any outstanding differences as soon as possible.
- ♦ Tick each item on both in bank statement and the cashbook once it has been agreed.

8.2 Land and buildings

The beneficial owner of all property, being real estate or other possessions or funds, is The Uniting Church in Australia. Within each state, a statutory corporation has been created with the rights and responsibilities as legally vested owner on behalf of the Church.

In Queensland, the name of the body corporate is **The Uniting Church in Australia Property Trust (Q.)**. It was created by an Act of State Parliament, which is named The Uniting Church in Australia Act No. 47 of 1977.

Property Trustees who are appointed by the Synod for the Church must sign all legal contracts relating to property transactions. The justification for the Church owning property is that it is used as a facility for the witness and mission of the Church.

Once a decision has been made to purchase some property, the originating body must satisfy itself and the approving bodies that it is within the Church's purposes and interests to purchase this land, and also that the price to be paid for the property has been professionally assessed and is reasonable.

If there is an existing building on the property, the application should indicate that an architect, builder or other professional consultant has confirmed the soundness of the structure and its value for the purpose intended.



Minimum standards of size and certain elements of design have been determined as a guideline for any purchase of a home for a minister's residence. In selecting such a property, it is important therefore that it meets, or can be extended to meet. The Synod office would be happy to inform you of the necessary **standards**. A layout plan including the sizes of all rooms should accompany each application to purchase a minister's residence.

Most purchases of property require the completion of an **Application form**, which can be obtained from the Property department of the Synod Office.

In all cases, a copy of the form is to be forwarded to both Presbytery and Synod.

If land is being purchased with a view to a building project, the application should give full details of the proposal and if possible, sketch plans and preliminary costing of the building.

Where urgent action is necessary to secure a property, make telephone contact with the Presbytery and the Synod and all possible assistance will be given under urgency provisions.

8.3 Equipment

Capital Expenditure, i.e. purchase of fixed assets such as furniture, fixtures, fittings, computers, plant and equipment, motor vehicles and land and buildings, represent a significant investment by the Uniting Church.

The following points are to be considered before expenditure is undertaken.

1. All Capital Expenditure is to be included in the Annual Budget and approved by Church Council.
2. Before purchasing any fixed assets, **approval must be obtained from the Church Council and/or respective Boards.**
3. That a cost benefit study is undertaken. Compare the cost of the purchase with the benefit that it is expected to deliver. Ensure that it is not over specific and has functions that will not be utilised fully.
4. Prior to purchasing, the treasurer must be satisfied that all obligations have been and will continue to be met in a timely manner, eg loan repayments, "Mission and Service" payments, collections made on behalf of Synod or other organisations etc.
5. Ensure three quotes have been obtained. Alternatively engage the service providers of the Uniting Church Synod, Teknon, Vision, UC Print, DovenetQ who are available to quote and service your needs.
6. All items purchased are to be depreciated according to the table shown in the following "Depreciation" section 8.5.
7. Loans are available once approved through UCIS loans on phone: **3377 9860**.
8. All purchases of fixed assets must be recorded in the Congregational Asset Register.



8.4 Congregational Asset Register

A fixed asset register is also important to maintain. This register records all assets purchased by the Congregation, and is important both for insurance purposes (to determine an accurate historical cost) and a control purpose.

It should include all major items acquired by the Congregation, including the Congregation's building (if any), leasehold improvements (money spent on leased premises), plant and equipment. Plant & Equipment covers a multitude of items including computer equipment, tables and chairs. Most Congregations have trouble raising large funds – the asset register ensures that once these assets are acquired, they are properly accounted for and safeguarded.

ALL assets controlled by the Congregation should be recorded in a register. This may include lighting and other such assets, which may have been perhaps, donated by members or perhaps even the local council. By recording all assets, the treasurer (and indeed all members when they receive a copy of the annual accounts) have a full appreciation of the member's assets for which they are accountable.

A fixed asset register looks like:

Bayliss Street Uniting Church							
Fixed Asset register							
Date	Asset Description	Cost	Open WDV	Depn		Disposal	Close
				Rate	Depreciation		WDV
23/01/2002	40 Chairs	800.00	725.00	20%	150.00		575.00

8.5 Depreciation

Some assets decline in value over the period of their useful life, eg vehicles, furniture, and equipment. The process used for accounting is called depreciation. If an item cost \$21,000 and we depreciate it over three years (33.3%) then its value drops each year by one third.

Example:

Purchase price	\$21,000	
Depreciation rate 33%	\$ 7,000	
Written book value in the 1st year	\$14,000	(\$21,000 less \$7,000)
Written book value in the 2nd year	\$ 7,000	(\$14,000 less \$7,000)
Written book value in the 3rd year	\$ nil	(\$ 7,000 less \$7,000)



The new value, written down, approximates the resale value. Should the item be sold and the value realised be greater or less than the written down value, then the book value must be amended and reflected in the balance sheet.

The following rates are recommended for depreciation. Unless there are extenuating circumstances these rates should be used.



ITEM	VALUE
COMPUTER HARDWARE	33%
COMPUTER SOFTWARE (items under \$1,000 to be written off)	50%
MOTOR VEHICLE	20%
OFFICE FURNITURE (items under \$1,000 to be written off)	20%
OFFICE EQUIPMENT (items under \$1,000 to be written off)	20%
PHOTOCOPIERS	33%

The advantages of using depreciation are:

- ♦ Spreading the cost over the useful life of the purchase,
- ♦ Recognising the real value of the item in balance in future periods.

8.6 Inventory

The Uniting Church in Australia Queensland Synod adopts the Australian Accounting Standards for Measurement of Inventories.

Inventories throughout the Uniting Church are diverse and it is not practical to establish a policy, which will cover every contingency. These procedures are an attempt to cover those congregations involved in activities, which have resaleable stock on hand.

Valuation – The stock value for each item is the cost of the stock when first purchased. However there is a time in the life of the stock when it needs revaluing. In determining whether stock should be re-valued it is appropriate to consider the stock's age, past movements, expected future movements and estimated scrap value.

Once stock is re-valued, the balance sheet needs to reflect the change.

The basis of valuation of inventories will be consistent from period to period. Any change in the basis of valuation requires the prior approval of the Manager.

All stocks are to be counted annually and should agree with the computer or stores ledger.

8.6.1 Stock - The Actual Count

At the end of each financial year the Congregational treasurer will need to physically count major stock items held by the Church and its activities. This stock needs to be both counted and valued to determine the actual surplus / deficit of the Congregation for the year.

This "stocktaking exercise" should be carried out at the end of the year on a pre-printed stock take sheet.



**Bayliss Street Uniting Church
Year ended 31st December 2002**

Stock Count Sheet

Item	Quantity	Cost per item	Total Cost
Bibles	2400	1.00	2,400.00

Counted By : Never Miss
Checked By : Eil Makesure

Key Controls:

1. Both Treasurer and checker should sign sheet.
2. Unit costs to be obtained from the most recent invoices.
3. If the stock is material to the overall Congregational financial position, please notify your auditor of the timing of the stock count.
4. Before the count starts, make sure all stock is neatly arranged (preferably one location for each stock line)
5. Make sure that you count in an orderly fashion, eg left to right and top to bottom.
6. Where stock is found in several locations, use the "+" symbol on the rough count sheets and total at the end.
7. Where errors have been made on the count sheet, strike out the incorrect number and replace with the correct number and ADD your initial. Remember, accountability is everything.

8.7 Bequests

From time to time Congregations may receive a benefit from a will.

Under the Uniting Church Act the legal authority capable of dealing with such bequests or legacies is The Uniting Church in Australia Property Trust (Q.) and therefore any correspondence received from a solicitor, trustee or executor should be forwarded to the Department for Financial and Property Services.

In the event of receiving enquiries relating to the wording of a will, it would be wise to refer the enquirer to the Synod Property Officer, so that advice may be given which will ensure the intended beneficiaries of the will are appropriately designated.

It is important that a Will be correctly constructed and the estate correctly referring to the church as "The Uniting Church In Australia Property Trust (Q.)". From this point on, the comments should at least refer to the location and the work which the benefactor wishes to assist.

For further help please ring the Property Officer on 3377 9777.



Chapter 9 What You Owe and What You Might Have To Pay For (Liabilities)

9.1 Loans

U.C.I.S has developed a loan uniquely for congregations looking to fund mission projects, called the Mutual Support Scheme (MSS).

This usually involves capital works projects, such as buying land, building, redeveloping or renovating worship centres. However, it could be used for other purposes such as, purchasing computers, office equipment, or furniture.

The main benefit of MSS is that it enables the principal amount of a loan to be paid off with potentially little or no interest costs being charged to the congregation.

It works like this:

1. Your church members open savings accounts with U.C.I.S. Each account is held in members' individual names; they retain control over their individual funds and have at call access to their money.
2. Your church members choose to earn no or little interest on their account (up to the current Mutual Support maximum variable deposit rate).
3. Instead, U.C.I.S pays a benefit to the Church loan each quarter, based on the levels of individual member's accounts throughout that quarter.
4. This benefit helps to repay the loan faster while saving substantial interest costs on the loan.

This makes it possible for a church to repay a loan with potentially little or no interest costs. One Queensland congregation recently repaid a \$200,000 loan in about eight years, without paying a cent in interest.

U.C.I.S charges a 0.5% administration fee on the outstanding balance of the loan.

To help you promote this loan within your congregation, U.C.I.S offers a number of support materials, and can design tailor-made literature on your project, free of charge. Please contact Gavin Woodland at U.C.I.S on **1300 655 653** for more details.

9.2 Provisions

Provisions need to be made to cover the cost of events that could occur in the future. The most common and often neglected provision is the provision for repairs and maintenance of buildings.

Often money is not put aside in the annual budget to cover the cost of future painting and renovation of the manse, Church and Church hall. This creates a significant burden on future members of the congregation faced with a large bill for basic maintenance. In some cases maintenance is not carried out resulting in a low sale price when the building is eventually sold.



To provide for future maintenance the Treasurer should open a Sinking Fund account with U.C.I.S and deposit small amounts in this account monthly based on expected future maintenance costs. A sinking fund account can be set up directly with U.C.I.S.



Chapter 10 Who and How Do I Report to the Church

10.1 Reporting to the Church Council

Formal reporting of the Congregation's financial position will generally take three forms:

1. Monthly or quarterly reports to the Church Council. Regulation 3.1.12 says "The Church Council shall meet quarterly on dates to be determined by the Church Council to deal with all matters relating to the responsibilities of the Church Council."
2. Annual financial statements (Including the Synod annual return) to be audited (Reg 5.5.10) and then distributed to the members of the Church Council. Reg 5.5.10 and Reg 3.1.13 require that the annual accounts be presented to the members of the congregation.

The congregation and its missions are required to submit accounts that have a 31st December year end i.e., the calendar year beginning the 1st January to the end of year 31st of December.

3. A good treasurer will prepare an annual budget and report to the Church Council actual expenditure against that budget. Reg 5.5.10 "Comprehensive and detailed budgets should be prepared during the current year for the next succeeding year for a congregation".

10.1.1 The Church Council

But what should be included in the monthly/quarterly accounts to the Church Council and what format should a Congregation adopt to give proper disclosure and accountability to its congregation? The information each report contains will depend on the requirements of the Synod Presbytery and the activities conducted by the Congregation

The Church Council is charged with managing the financial affairs and the general administration of the congregation. This means they need to know on a regular basis what money they have available to spend, to whom they have spent their money and from whom they have received their revenues. Generally, a monthly /Quarterly report to the Church Council will include:

- ♦ Extract of receipts from the cashbook (this will usually be in summary form – the Church Council will not generally want to see individual receipts).
- ♦ Listing of payments made by the treasurer since the last meeting (the treasurer should make available original invoices should members of the committee query any payments). The Church Council MUST ratify this listing.

It is also good practice for the treasurer to have special/unusual payments individually minuted, for example, acquisition of major assets). This will clear the treasurer if it is queried at any time in the future. Similarly, any payments made to the committee (whether it be travel allowances, honorariums etc) should be separately highlighted.

- ♦ A summary of the transactions in the period. This may take the form of summarised accounts and it is this that the treasurer will be judged on. The treasurer must table these accounts for approval by the Church Council – by doing this the treasurer is being accountable for his/her actions.



- ♦ A good treasurer will also provide a small written report, which comments on large expenses or fluctuations from the budget or last year. An example of such a report based on our standard Chart of Accounts (See Appendix B) is as follows:

A. Statement of Receipts and payments

Bayliss Street Uniting Church				
Transactions for the month of December 2002				
	Dec-02	Actual YTD	Budget YTD	Last year YTD
Receipts				
Subscriptions	74.00	600.00	550.00	575.00
Offerings	450.00	5000.00	4500.00	4700.00
Donations	150.00	500.00	600.00	500.00
Total	674.00	6100.00	5650.00	5775.00
Payments				
Electricity	150.00	750.00	700.00	700.00
Rates	250.00	500.00	500.00	500.00
Phone	450.00	2260.00	2400.00	2200.00
Total	850.00	3510.00	3600.00	3400.00
Surplus	-176.00	2590.00	2050.00	2375.00

While the December result is a loss, the overall result for the year is pretty good as it compares favourably with both the budget and the figures from the prior year. This is the benefit of reporting both monthly and year to date figures, as you need to gain an understanding of the whole picture.

Under regulation 5.5.10 the accounts need to be audited. These accounts should be made available prior to submitting the annual return to the Synod. The closing date for the Congregational Annual Return is the 31st March each year.

B. Statement of Account

A statement of Receipts and Payments is really just a summarised picture of the receipts and expenses incurred for a year. A Statement of Account on the other hand, is a picture of the financial health at a given point in time. It may be quarterly or 31st December or any other date. The statement lists the Congregation's assets (cash, fixed assets etc) and the liabilities (trade creditors and loans etc).

An example of such a report based on our standard Chart of Accounts (See Appendix B) is as follows:



Bayliss Street Uniting Church				
Statement of Account as at December 2002				
	Dec-02	Actual YTD	Budget YTD	Last year YTD
<u>Assets</u>				
Petty Cash	100	100	100	100
PCP Account	5,500	6,450	5,000	6,750
Investments	85,000	85,000	85,000	85,000
Land & Buildings	350,000	350,000	350,000	350,000
Total Assets	440,600	441,550	440,100	441,850
<u>Liabilities</u>				
GST Collected	80	0	0	150
Accounts Payable	200	105	250	185
Loans	65,000	65,000	70,000	75,500
Total Liabilities	65,280	65,105	70,250	75,835
Net Assets	375,320	376,445	369,850	366,015
<u>Accumulated Funds</u>				
Opening Balance	375,496	373,855	371,900	368,390
Surplus/Deficit(-)	-176	2,590	2,050	2,375
Closing Balance	375,320	376,445	369,850	366,015

10.2 Reporting to the Presbytery

The Synod under regulation 5.5.10 has requested that a copy of the Congregational annual return and detailed accounts be presented to the Presbytery annually. The Presbytery Property Committee can, in addition to the accounts being provided annually, may require accounts to be submitted whenever required. In Queensland most Presbyteries require detailed accounts to be submitted quarterly.

10.3 Reporting to the Synod

The Synod under regulation 5.5.10 has requested that a copy of the Congregational annual return and detailed accounts be presented to the Synod annually. The Synod can, in addition to the accounts being provided annually, may require accounts to be submitted whenever required.

A. The Congregational Annual Return

The Congregation Annual Return is due by the 31st March of each year. The Synod has adopted the Australian Accounting Standards as the approved method of accounting for the Congregational annual return.

The statement of financial performance is divided into income and expenditure. AASB 1018 5.1 of the accounting standards states: "Revenues and expenses must not be set – off unless required or permitted by a standard".



B. Income

1.	OFFERINGS	Include the total of all offerings. Retiring offerings for special purposes should be shown at 7(a) or 7(b)
2.	SPECIAL PURPOSE FUNDS	Show only the NET income from fundraising. DO NOT include internal transfers between accounts and committees within the congregation
3.	PROPERTY INCOME	Show income from rent or hire of buildings, manses and facilities
4.	INVESTMENT INCOME	Interest received from investments, bank accounts and UCIS accounts
5.	REIMBURSEMENT FOR MINISTERIAL SERVICES	Payments received for chaplaincy and other work performed by Ministers.
6.	INCOME FROM ACTIVITIES NOT SPECIFICALLY FUNDRAISING	GROSS income from congregation activities. (Camps, pie drives etc). Show any expense for this activity at Item 17 in the Expenditure report
7a.	RETIRING OFFERINGS AND APPEALS FOR SYNOD DEPARTMENTS AND DIVISIONS	GROSS income for Uniting Church appeals
7b.	RETIRING OFFERINGS FOR NON UCA CAUSES	GROSS income for non UCA appeals and offerings
8.	GRANTS FROM HOME MISSION AND TWINNING ARRANGEMENTS	Home Mission Grants and/or Twinning arrangements
9.	SUNDRY RECEIPTS	Sundry income not shown elsewhere
10.	CAPITAL RECEIPTS	Income of a capital nature (Bequests, property sales, loan proceeds from UCIS)
11.	TRANSFER FROM PROPERTY COMMITTEE OR OTHER GROUP	Amounts transferred from groups and committees within the congregation.

C. Expenditure

12.	THE MISSION OF MINISTRY	Stipends, allowances, Beneficiary Fund payments, Work Cover premiums, CEM Payments and other minister/youth worker payments
13.	MISSION SUPPORT STAFF	Wages, allowances, superannuation and other NON ministerial related expenses
14.	MISSION AND SERVICE FUND CONTRIBUTION	Contributions to the Mission and Service Fund
15.	OTHER SYNOD AND PRESBYTERY PAYMENTS	Other payments to Presbytery or Synod
16.	MAINTENANCE/RENOVATIONS OF PROPERTY	Congregation property expenses (Local authority rates, insurance, repairs, maintenance, etc) including renovations
17.	COST OF ACTIVITIES NOT SPECIFICALLY FUNDRAISING	The expense for activities shown at item 6
18.	SUNDRY OPERATING EXPENSES	Sundry operating costs (electricity, gas, telephone, cleaning, loan interest charges etc)
19.	PAYMENT OF RETIRING OFFERINGS AND APPEALS	Payment of Uniting Church and Non Uniting Church appeals
20.	TRANSFER TO PROPERTY OR OTHER COMMITTEE	Transfers to other groups or committees in your congregation
21.	CAPITAL EXPENDITURE ITEMS	Property purchases, building construction, capital loan repayments (show loan interest at item 18), transfers to fixed investment.

The return is further divided into four columns (A, B, C & D) and is designed to represent three main financial areas and a total.



LIABILITIES

		A	B	C	D
SECTION 6					
ACCOUNT NAME	BANK/BRANCH	General Funds	Property Funds	Other Funds	TOTAL
25. Loans					
26. Other Debts					
TOTAL LIABILITIES					

27. Attendance Numbers

Adults (18+)	Children	Total	Family Unit

28. How many buildings does your congregation manage?

29. How many stipended agents does your congregation have?

We certify that the above schedules represent a complete statement of all bank accounts, investments, loans and other debts within the Parish and its activities and that such accounts have been approved by Church Council. We further certify that financial statements have been prepared for each approved organisation for the period ended 31 December 2002 and have been audited in accordance with Assembly Regulations 3.3.20, 4.4.4 and 5.5.10.

Chairperson – Church Council

Treasurer – Church Council

10.4 Reporting externally - GST, ABN, BAS

GST is a transaction-based tax, currently used in many countries around the world. It is not an organisation-based tax therefore treatment usually depends on the type of transaction and not whether the organisation is income tax exempt.

The ultimate/final consumer usually bears the cost of GST, not the organisation providing the goods and services. However, the liability to pay GST to the Australian Taxation Office (ATO) rests on the supplier of the goods and services, not on the customer.

Importantly, charitable, religious and non-profit organisations have become part of the tax system, however many activities will be favourably taxed as GST-free transactions. If they are registered for the GST, congregations will be able to claim credits for GST paid on acquisitions and will charge GST on a significant proportion of income.

The Uniting Church in Australia is a charitable institution as identified by Taxation legislation. This expands the range of transactions, which are GST-free as well as providing income tax benefits. (Refer Charitable Provisions in the ATO publications or use the Internet <http://www.taxforum.ucaqld.com.au>).

10.4.1 How GST Works

GST is collected at each stage of the chain of production or service. Each person in the chain:

- ♦ charges GST on their sales,



- ♦ claims back from the ATO, all GST paid on the goods they purchase and other expenses as inputs to their sales,
- ♦ when they make their return to the ATO, they subtract the GST collected on their sales from the GST they have paid on their inputs, to calculate the net amount payable.

In our example below you have purchased bulk stationery, hired out the hall, and are trying to determine the GST impact. For you, the GST consequences are as follows:

- ♦ you purchase some stationery for \$330. That includes \$30 GST.
- ♦ you rent the church hall for \$200 +GST, the customer pays you \$220. That includes \$20 GST.
- ♦ the key points to note are that you must remember to charge and record the GST on your rent and to keep a record of the GST you have paid on your inputs (i.e. the stationery).
- ♦ when you submit your GST return to the ATO you are able to claim back the GST on your purchases, but must submit the GST collected on your rent. The difference between these (\$20 collected from the customer less the \$30 paid to the retailer) must be claimed from the ATO. That is \$10.

Note:

This requires the treasurer to capture the GST collected and paid out in order to complete the Government's periodic BAS return. You are required to quote your ABN on documentation involving the transfer or request for money.

Where "Tax invoices" use the words "The total price includes GST" in order to record this transaction treasurers will need to use the 1/11 "Tax fraction" to calculate the amount of GST. For example if a GST inclusive invoice is received for \$49.50, the GST component of \$4.50 will be calculated by dividing the invoice by the tax fraction of 11.

If MYOB is used, the BAS reports take seconds to complete as it is automatically calculated for you.

To charge GST, an entity must have an Australian Business Number (ABN) and be registered for GST. Only registered entities can charge GST and only registered entities can claim the GST credits on business acquisitions (purchases).

The **Uniting Church in Australia State Property Trusts/Synods** are registered legal entities each having their own ABN and are registered for GST.

The definition of entity is also extremely broad and includes:

Individuals, Corporate bodies (including Uniting Church State Property Trusts), Partnerships, Trusts, Superannuation funds and unincorporated bodies.

10.4.2 Congregations

Congregations and presbyteries will be recorded as sub-entities of the state property trusts. It is not practical for the Synod to maintain the accounts for each and every congregation and the use of sub-entities will enable congregations to maintain their own independent accounting records. Each registered congregation and presbytery will have its own ABN.

Congregations with a turnover of \$100,000 or more must register for GST. Congregations with a turnover of less than \$100,000 may register if they wish. Most congregations will be entitled to GST refunds and will wish to register for GST. BAS completion examples are found on the Uniting Church web site: <http://www.taxforum.ucaqld.com.au>.



10.4.3 What is a Business Activity Statement (BAS)?

A Business Activity Statement is the form churches need to fill in and return to the ATO as a tax return on:

- ♦ goods and services tax (GST);
- ♦ income tax withheld either from employees wages (PAYE) or because the supplier did not quote an ABN (48.5%);
- ♦ fringe benefits tax instalments.

10.4.4 Who should use a “Business Activity Statement”?

All entities registered for GST (includes congregations) with any of the above tax obligations and entitlements must complete a Business Activity Statement at the end of each tax period.

10.4.5 Who should use an “Instalment Activity Statement”?

Congregations not registered for GST but who have withheld income tax or have a fringe benefit tax liability will be required to complete an “Instalment Activity Statement” which is a simplified version of the BAS.

10.4.6 How do you receive your activity statement?

The ATO will send you your activity statement before you need to lodge it. Your activity statement is personalised to your congregation, with some parts already filled in to save you time and effort. Your activity statement indicates when you have to lodge and the tax period it covers.

10.4.7 How often do you need to lodge an activity statement?

Churches may choose to lodge the GST return either quarterly or annually.

It should be noted that no congregation is required to have a Tax File Number (TFN).

Only the Synod of Queensland is required to have a TFN. If you feel or are advised that you need a TFN because of activities undertaken then please contact Financial Services at the Synod office, 3377 9901 or via the Uniting Church web site: <http://www.taxforum.ucaqld.com.au>.



Chapter 11 Internal Controls and Security

Internal Control: The system of controls, financial and otherwise, established by the Synod in order to carry on the mission of the Church in an efficient and orderly manner. Designed to ensure adherence to policies, safeguard assets and secure as far as possible the accuracy and reliability of its records.

The characteristics of good internal controls include:

- ♦ The use of approved Accounting Standards.
- ♦ A system of authorisation, and recording to provide accounting control of assets, liabilities, income and expenditure.
- ♦ The implementation of procedures for control and authorisation.
- ♦ Approved budgets used to control expenditure.
- ♦ The measurement of financial information to budgets for effective for management control.
- ♦ Timely and accurate reporting.
- ♦ Records protected from theft, misuse, destruction or misappropriation.
- ♦ All insurable risks of the Church should be adequately covered by insurance.

Good practice warrants that an auditor review internal controls yearly, or qualified third party.



Chapter 12 Audit Requirements

It is a requirement by Synod that all Congregations be audited.

The Church Council shall make arrangements for audit, presentation and examination of the accounts of all of the funds of the Congregation as required by Regulation 5.5.10.

The auditor's task is to certify financial statements. This also includes a review of the accounting systems and internal controls. It is obvious that it can be a costly process because it is very time consuming. Therefore planning and preparation for the external audit can save significant dollars by reducing the auditor's workload. Ensure all supporting documents are filed chronologically and bank statements are reconciled.

Records that should be available to an auditor include:

- ♦ Constitution and Regulations of the Uniting Church in Australia,
- ♦ Minutes of Congregational meetings,
- ♦ Books for accounts (paper form or Diskette), Petty Cash records,
- ♦ UCIS and/or bank statements,
- ♦ Certificate of Bank Balance, to be prepared (sent by the auditor to UCIS and/or the bank),
- ♦ Collection and Pledge records,
- ♦ Cheque Vouchers,
- ♦ Statement of Receipts and Payments for the year,
- ♦ Investment details,
- ♦ Insured Property Values.

The rules covering the selection and role of an auditor are covered in Regulation 5.5.10.

Appointment of Auditors

- (a) The auditor or auditors shall be appointed annually. Subject to the variation in (b) below, the auditor(s) shall be a qualified accountant or, if more than one, shall include at least one qualified accountant. For the purpose of this Regulation a qualified accountant means:
- (i) a person who is a member of the Institute of Chartered Accountants in Australia or the CPA Australia, or
 - (ii) any other person who has qualifications and experience requisite for registration as a company auditor under the Corporations Law and who in the opinion of the appointing body is a fit and proper person to undertake the responsibility.

Variations to Qualifications

- (b) Where the gross income of a Congregation or body or fund in the year is below a figure that equates to 2.5 times the notional stipend, the books of account may be audited and certified by two persons who are not qualified in terms of (a) above, but who are, in the opinion of the appointing body, fit and proper persons to undertake the responsibility.



Notional stipend for the purpose of this Regulation means the amount determined for the year by the Board of Directors of Benefund Limited.

Eligibility as Auditor

- (c) The auditor appointed shall not be a member of the board, council or committee whose accounts are being audited unless a Presbytery with respect to accounts of Congregations or Congregational organisations within its bounds, or the Synod Property Board with respect to accounts of other councils or organisations, determines, at the request of the appointing body, that special circumstances exist in which case a member of the board, council or committee may be appointed to be auditor.

The Audit Checklist

Attached is an audit checklist that can be used as a guide to the auditor and a reference to the treasurer as to key control items that are required by the Uniting Church. This checklist covers most aspects of a small to medium congregation.

A copy of the checklist is provided in the Appendices.



Chapter 13 Retention of Records

The question is often asked, "How long should we retain congregation records?"

Common sense plays an important part and as such the following guidelines are recommended:

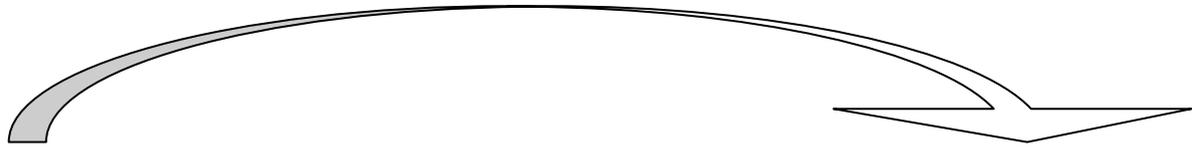
1. Detailed records such as invoices should be retained for five years.
2. Taxation records at least seven years.
3. Cash books/computer accounting package records, etc, at least seven years.

When considering the destruction of records you may have an obligation to first consider items of archival value, which would be important to retain from an historical point of view.

These may even be an invoice covering the purchase of a significant item of furniture, a contract for the building of a church, newspaper articles covering special services, important orders of service, etc. There are many historical societies who would value such records.



Chapter 14 Financial Planning and Management



14.1 Mission Planning

14.1.1 What is a Mission Plan?

In simple terms it is the developing of ideas and establishing of goals to meet the “Dreams and Visions” i.e. Christian faith held by a congregation.

A congregation should be encouraged to dream and develop those concepts, which they feel God has placed on their hearts. Without these goals the church’s growth and/or outreach is destined to stagnate.

The goals and benchmarks that evolve from the “Dreams and Vision” are used as the basis of a five-year programme. This expanded plan is now considered essential in the life of the church. More importantly, it provides the congregation with ownership of one or more goals. To understand the real benefits and implications of developing a strategic plan, we invite you to contact one of the Ministry Consultants at Synod (Ph: **3377 9900**).

Even though some decisions in the Mission Strategic Plan will not have immediate financial implications, many programmes will impact in the budgeting process. The Mission Strategic Plan must be prepared before the Budget.

14.1.2 What is a Mission Budget?

Budgets are often confused with cost budgets prepared by commercial enterprises as a yearly measure of controlling costs. While cost budgets are important, it should be the end point of the budgeting process for the church, not the beginning. Budgeting involves:

- ♦ A Mission Budget
- ♦ A Mission Resource Budget
- ♦ A Cost Budget

Some Church budgets are prepared based on what resources we think we have rather than considering what God wants us to achieve. This immediately limits what God can achieve in a congregation.

God calls us to be stewards, not spenders. To focus on costs reinforces a spending mentality. Spenders are concerned with preserving what they have. (Keeping safe the crown jewels). Stewards are called to be generous givers who invest with the main purpose of fulfilling the mission to which God calls them.



The first step of a Church budget is a thorough understanding of God's word backed up by considerable prayer and a measure of faith. What result would a cost budget provide in the case of the feeding of the five thousand?

When starting a budget we should start planning for Mission. We should focus on God's call, the great commission. We should focus on the people Jesus helped, the lost, the poor and the destitute. When we are preoccupied with mission and planning mission we will be preoccupied with the matters of the kingdom. God gives us mission so we can have life.

If we are preoccupied with survival and maintaining what we have we will develop an existence only budget. Or even worse no future at all.

When budgeting consider the following

- ♦ What God's word says to us?
- ♦ What God is leading us in prayer by the Holy Spirit to do?
- ♦ Look at what we currently do well.
- ♦ Consider and understand what is happening in our community.
- ♦ What steps of faith can be made as we start our journey of mission?
- ♦ Be open to God's leading through the budget process as he unveils his mysteries.

It is important that budgets are developed at the "grass roots". Many people in the congregation should be involved so that a culture of permission giving is created when developing the missional budget and missional priorities. A committee or a small group of people will only see a limited view of God's plan and resources.

14.1.3 Mission Resource Budget

Once a mission budget is planned, effectively communicated and owned by the congregation, a Mission Resource budget needs to be prepared. This involves primarily the people resources available to the congregation. A resource budget will also consider land, buildings and equipment that are available to complete the missional budget.

The last part of the budget process is a full cost budget that details out in monetary terms income and expenditure needed to fulfil the mission budget. More importantly, we need to develop alongside the cost measures (cost budget), good measures of missional outcomes. At the monthly congregational meeting the missional outcomes and measures should be paramount as well as a brief review of costs.

14.2 Cost Budgeting

14.2.1 Why budget for cost?

The budget is a crucial means of planning and controlling expenditure. Its purpose is to express in financial terms the desires of the congregation for the next financial year.

- ♦ It will help decide whether the objectives are sustainable.
- ♦ Decide on priorities.
- ♦ Provide monthly / periodic targets.



- ♦ Determine if there is a surplus or deficit for that period.

A budget provides a vital health check for any church. At any point in time it can review its progress against the budget and immediately see the progress.

14.2.2 Preparing a Cost Budget

The most important aspect of the budget is the strategic ????

The following steps are guides in the process.

- ♦ The Congregation should outline their objectives for the period.
- ♦ People responsible for various activities are invited to consult in setting realistic plans of their income and expenses.
- ♦ Historic records should be at hand to be used as a guide to determine trends or compare “like periods”.
- ♦ External factors should be considered such as increasing/declining attendance, economic changes in the community (inflation), salary changes, etc.
- ♦ Internal factors to be considered - an increase or decrease in staffing, new activities (e.g. child care), building programmes, etc.
- ♦ The Synod provides a forecast for staff remuneration packages (stipend) and for the Ministry and Service Funds. Generally this is available before October of the previous year.
- ♦ Finally the budget should be prepared using the twelve calendar months to allow the progress to be easily measured and bank reconciliation to take place.

One of the more important advantages in preparing a budget is that it makes all the people involved in the budgeting process think, plan and commit themselves to certain goals. Not only does this result in a financial plan of action but also gives the congregation a real sense of ownership in its future.

The budget should be prepared no later than October. This allows the Church Council time to review the content and debate the critical issues before the commencement of the financial year and avoids the busy times around Christmas.

14.2.3 Monitoring the Budget

At least monthly the year-to-date results (actual income and expenses) should be compared to budget. The Church Council should review the results with the following aims:

- ♦ Evaluate income trends. (Is the budget being achieved, if not what are the causes).
- ♦ Accelerate loan repayments if a surplus is available.
- ♦ Make decisions to improve income if this is behind budget.
- ♦ Review the expenses and ensure these are within budget and less than income earned for the period.
- ♦ Make recommendations to remedy over spending.
- ♦ Recommend amending future spending if the budget is not achieved.
- ♦ Prepare surpluses for investment, (reserves in excess of \$5,000 are to be invested with UCIS).



- ♦ Predict the likely outcome for the year based on the results to date, publish the result for debate at the next Church Council.



Chapter 15 Synod Funds

15.1 Parish Development Fund

15.1.1 Introduction

The Basis of Union (Paragraph 3) states that we are “a pilgrim people always on the way towards a promised goal”.

To assist in that pilgrimage we have available a variety of resources. It is quite common that parts of the Church from time to time seek to have additional resources made available to enable the mission of the church to be achieved more readily.

While the expectation is that each parish will endeavour to provide itself with the resources necessary to undertake the mission programmes within the parish area, there is also a responsibility on the whole Church to act with the vision and commitment outlined in Acts Chapter 2 Verses 44-45:

“All whose faith had drawn them together held everything in common: They would sell their property and possessions and make a general distribution as the need of each required.”

15.1.2 Sources of Funding for Parish Development

Funding for any developmental project in a parish may come from a range of sources:

- ♦ General savings or fundraising by the parish;
 - ♦ Specific fundraising for the project by way of gifts or low interest/interest free loans;
 - ♦ Funds from the proceeds of other parish property;
 - ♦ Support from adjacent parishes;
 - ♦ Support from the wider church through loans or grants;
 - ♦ Government/community grants or other financial assistance;
 - ♦ Borrowings from financial institutions.
- (a) Parishes are encouraged to maximise the funding which can be raised from sources directly available to the parish and within the constraints which may apply to the individual circumstances.
- (b) Assistance can be given to parishes in raising funds by way of gifts or low interest loans by the Department for Financial and Property Services through the Mutual Support Scheme. Funds raised in this way shall be processed through Uniting Church Investment Service.
- (c) The Department can also provide assistance with the preparation of applications for government or community grants. Such applications shall be submitted to the Department for Financial and Property Services for consideration by the Synod Property Board.



- (d) Applications for support by the wider church for developmental projects shall be made to the Department for Financial and Property Services and shall have the approval of the Presbytery. In considering such applications, the Department may draw on the resources available from:
- (i) Uniting Church Investment Service for the provision of loans at rates of interest up to the rate at which it makes commercial mortgage loans from time to time. (No mortgage security will be required for parish loans.)
 - (ii) Parishes Development Fund for the provision of grants where the approval of the Council of Synod is given.
 - (iii) Parishes Development Fund for the provision of loans. The repayment conditions for such loans may vary depending on the needs of individual parishes with interest rates from nil to a maximum rate to be determined from time to time by the Finance and Property Board? and for periods not exceeding 15 years. The maximum loan to be made from the Parishes Development Fund shall be determined from time to time by the Finance and Property Board.
- (e) Where a grant or loan on concessional terms has been provided to a parish for a project, the Parishes Development Fund is to have an equitable share to the extent of the concession in any fund resulting from the disposal of the property at any time up to 12 years after the date of the provision of the grant or loan.
- (f) In assessing requests for grants or concessional loan assistance, the Department shall include reference to a mission strategy statement prepared by the parish concerned for the proposed developmental project and comments on the statement by the Presbytery.

15.1.3 Other Parish Development Initiatives

The Department for Financial and Property Services may also apply monies from the Parishes Development Fund towards:

- ♦ the acquisition of sites for future development;
- ♦ the assistance in financing new ministries as may be authorised from time to time.

(a) In regard to the acquisition of sites, the following guidelines shall be observed:

(i) Philosophy

The Parishes Development Fund may buy undeveloped land in an area of possible population and church growth. Requests may be submitted by a parish or presbytery or a department of the Synod.

(ii) Site Selection

Suitable locations for the development of congregations will be identified in a mission strategy statement which the Growth and Change Area task group will prepare in consultation with Presbyteries.

Sites will be selected in consultation with Presbyteries.

Sites should comprise not less than one half hectare. Should provision of a manse on the same site be anticipated, account should be taken of this in determining size.



(iii) Funding and Management

1. The Fund shall purchase the site and meet all costs until the parish acquires the site. When/if a parish acquires a site, the parish shall pay no more than a fair market value or the purchase price of the land by the Fund plus holding charges including interest at the rates paid by The Reserve Fund from time to time during the period the land was held by the Parishes Development Fund, whichever is the lesser.
2. A site may be held for a period of/from three to five years subject to periodical reviews.
3. No limit is set on the amount which may be expended on the purchase of a specific site, each transaction being considered on its merits having due regard to the capital available and to other calls expected to be made upon the resources of the Fund.
4. Consideration may be given to the purchase of a greater area than will eventually be required with a view to the subdivision of the section not required for Church purposes.

Proceeds from the sale of any portion of the site surplus to requirements will normally accrue to the Fund.

15.1.4 Resources of the Parish Development Fund

The resources of the Fund shall include:

- (a) Interest earned on the investment of the Fund balance from time to time not immediately required to meet commitments of the Fund. Portion of the Fund may also be invested to assist in the maintenance of the capital value of the Fund.

NOTE: The balance not deposited in the Parishes Development Fund of the proceeds of the sale of parish property shall be placed in the Synod Reserve Fund and shall be subject to the guidelines for that Fund.

- (b) Ten percent of the net proceeds from the sale of all parish related properties provided that:
- (i) where the property is a manse property and the Presbytery declares that the sale of the manse property is a part of a programme to upgrade or relocate the manse, then no contribution shall be required to the Parishes Development Fund;
 - (ii) A contribution in excess of 10% may be made subject to agreement between the Parish, Presbytery, and Department for Financial and Property Services. In considering whether a contribution greater than 10% should be paid, regard shall be given to the missional plans of the parish and the needs of other parishes within the Synod. If agreement cannot be reached as to the level of contribution in these cases, the matter shall be determined by the Council of Synod.

NOTE: "Net Proceeds from the sale of ... parish ... properties is normally equal to the Sale price less Legal Fees and Commission"



15.2 Synod Reserve Fund

15.2.1 Principle

All properties are vested for legal purposes in the Property Trust but are owned by the Church. Synod Departments, Agencies, Presbyteries and Parishes shall accept the right of the Church to have jurisdiction over their properties and in certain circumstances either to realise, transfer, or centralise control for the good of the Church as a whole, in accordance with priorities determined by the Synod (see Regulation 4.8.1).

The Synod Reserve Fund was created by Synod Resolution 78.13 in order to:

- (a) Provide more liquid funds for the Synod Administration;
- (b) Provide funds for 'Church development and growth' in parishes, presbyteries and the Synod;
- (c) Enable the Synod to have funds available to meet emergency situations as they arise.

15.2.2 Definitions

A. Property

As per Regulation 4.1.1 "Property" means property of whatsoever nature whether real or personal. Under this definition a major sale, whether it be of land, building or its contents and plant, would be subject to the Guidelines adopted for the Synod Reserve Fund.

B. General Properties

Those which are being utilised until the date of sale by the parish or department for some specific purpose.

C. Under-Utilised Properties

Are those which are not being used by a parish or department in the full or normal way at that particular time, and could be better or more effectively used in some other way.

D. Redundant Properties

These have been defined by the Synod Standing Committee Resolution 78.255 on 12 September 1978 as follows:

- (a) Redundancy Through Church Union

Where, through coming together in Union, a church building is no longer required for its previous use, and the sale of same produces funds that would not have been available but for Union making it surplus to requirements, that property be regarded as redundant under the terms of the Synod Resolution.

- (b) Rationalisation

Where, in the interests of rationalisation of the work, one or more properties are disposed of to make possible one central facility to replace them, then the properties so disposed of be not regarded as redundant.



(c) Normal Redundancy

Where, in the course of time through the withdrawal of work in an area a property is no longer required, that property be regarded as redundant.

15.2.3 Guidelines

A. General Properties

(a) Sale

As a general rule, the Synod (Minute 82.81 (d) (ii)) has determined that 10% of the net proceeds from the sale of all departmental properties shall be applied to the Synod Reserve Fund except to the extent that note has to be taken of government and community funding in the purchase and development of the properties.

(b) Proceeds of Sale

The balance of proceeds of all properties sold shall be held in the Reserve Fund on behalf of the parish or other body deemed to have an equitable interest therein until there is a valid need up to ten (10) years.

- (i) Interest may be paid and credited to the proceeds at an agreed rate not exceeding the maximum set by the Commission of the Department for Administrative Services.
- (ii) The fact of sale cannot be taken as evidence that property is redundant or ever under-utilised. Even though the proceeds are temporarily in the Synod Reserve Fund, the Property Board must still follow the procedure in the guidelines for the Synod Reserve Fund, in determining whether or not the property sold should be classified as 'saleable' in accordance with Synod Resolution 78.13.

(c) Use of Sale Proceeds

Departments and parishes should exist, as far as possible, without having to use interest accruing on proceeds of sale for normal expenses. Nevertheless some will find it necessary to use such interest for normal purposes in order to remain viable and to continue their witness and service in the community.

(d) Purposes for which Sale Proceeds may be used

Upon the request of the Parish Council or other body the Department for Financial and Property Services shall remit:

- (i) Interest accruing on proceeds of sale to be used, in whole or in part, for normal expenses;
- (ii) Proceeds of sale (capital and interest) for approved capital purposes or any other special 'church growth' or 'outreach' programme approved by the relevant Presbytery.
- (iii) Proceeds of sale (capital and interest) for purposes of making a gift or loan to parishes, presbyteries, and other church institutions, in addition to the provisions contained in the Regulations.



B. Under Utilised and Redundant Properties

- (a) Pursuant to Regulations 4.2.1(b) and (e) it shall be the function of the Synod Property Board to advise the Council of Synod which properties vested in The Uniting Church in Australia Property Trust (Q.) are not fully utilised or are redundant and therefore classified as saleable in accordance with Synod Resolution 78.13.
- (b) The Synod Property Board shall ensure that the following procedure is observed.
 - (i) That it is established which parish, department, organisation or other activity is deemed to have an interest in the subject property.
 - (ii) That there is consultation with such parish or other body and with the Presbytery with a view to establishing -
 1. The classification of the property as under utilised or redundant,
 2. The sale of property,
 3. The equitable interest of the parish or other body.

In the light of the Synod Resolution it is expected that the co-operation of all bodies shall not be withheld.

- (iii) Opportunity shall be extended to the parish or other body having an interest in the property to indicate:
 1. Whether any plans are current for the development of the property,
 2. Whether the value of the property has been related to development on another site,
 3. Whether there are any plans to use the proceeds of sale in another development.
- (iv) There shall also be consultation with the Uniting Church Investment Service and with the Presbytery to determine whether the property should continue to be held for investment, developmental or other purposes.
- (c) The Property Officer shall be responsible to institute all such processes as are necessary, including those prescribed by Regulation to seek sales of properties classified as being under utilised or redundant.
- (d) Account shall be taken as necessary of any consequences which flow from government and community funding in the acquisition and development of the property being sold.
- (e) The net proceeds of sale shall be applied as follows:
 - (i) That proportion identified with any approved project under 15.2.3 B (b) (iii) above shall be deposited until required in the Synod Reserve Fund under the provisions of 15.2.3 A (d);
 - (ii) The balance, if any, relating to departmental property shall be applied to the Synod Reserve Fund;
 - (iii) The balance, if any, relating to parish property shall be applied to the Parishes Development Fund.



15.2.4 The Process of Appeal

- (a) The Synod Property Board shall give due advice in writing to the parish, department, organisation or other activity concerned of its intention to recommend to the Council of Synod concerning:
 - (i) The classification of any property as under utilised or redundant;
 - (ii) The decision to sell such property;
 - (iii) The equitable interest of the parish or other body in the subject proper.
- (b) It shall be competent for the parish, department, organisation or other activity concerned to appeal to the Council of Synod against such recommendation within 28 days of the date of notification.
- (c) The Council of Synod shall appoint an Appeals Committee of five persons.
- (d) When an appeal is received by the Secretary of the Synod he shall report the matter to the Appeals Committee.
- (e) The Appeals Committee shall receive written submissions from the Parish Property Committee and Parish Council, the Presbytery, the Departmental Commission or other Council or Committee concerned, as well as the Synod Property Board. It shall take account of Synod Resolution 78.13 and it shall have regard to Regulation 4.8.1.
- (f) The Appeals Committee shall submit its recommendation and all relevant information to the Council of Synod.
- (g) The decision of the Council of Synod shall be final.

15.2.5 The Management of the Synod Reserve Fund

- (a) The Director, Department for Financial & Property Services shall be responsible to the Finance and Property Board for the management of the Fund.
- (b) All monies credited to the Reserve Fund and not immediately required shall be invested with the Uniting Church Investment Service.
- (c) Monies credited to the Reserve Fund shall be dealt with as follows:
 - (i) Under 15.2.3 A (b) and 15.2.3 B (e)(i) held on deposit. Interest, where applicable, shall be credited each 30th June and 31st December, except that interest paid from manse proceeds (Synod Minute 89.47) is paid monthly.
 - (ii) Under 15.2.3 A (a) and 15.2.3 B (e)(ii) treated as Capital donations to the Reserve Fund.
- (d) Gifts may be received for the Reserve Fund from personal or Church sources.
- (e) Loans may be received from personal or Church sources including upon a free of interest or low interest basis to be held as part of the Reserve Fund but to be processed as specific deposits with the Uniting Church Investment Service.



- (f) Applications for grants from the Reserve Fund shall be considered by the Finance and Property Board and approved by the Council of Synod. Grants shall include the following:
 - (i) Those which are made to meet crisis situations;
 - (ii) Those which are made through the Parishes Development Fund Committee to stimulate the development and growth of the Church especially in new areas;
 - (iii) Transfers to the Department for Financial & Property Services for administrative needs.
- (g) Loans to Parishes for Church growth and development are to be made in bulk to the Parishes Development Fund, which shall make the loans to parishes. Interest on loans is to be paid by the Parishes Development Fund to the Reserve Fund at the same rate as parishes pay to the Parishes Development Fund.
- (h) Applications from parishes, departments and agencies for loans shall be made to the Finance and Property Board for decision and determination of terms and conditions.
- (i) The aim of the Synod is to build up the capital of the Reserve Fund to an appropriate level to be determined from time to time by the Finance and Property Board. Funds in excess of this amount are to be donated to the Parishes Development Fund.

15.2.6 Reserve Fund

The Synod Property Board considers as undesirable the growing practice of depending on property sales to cover costs of maintenance, painting etc. These costs should be provided for by proper management and financial planning. The Church cannot have the capital to grow and expand if resources are being used for maintenance purposes.

15.3 Mission Resource Fund

15.3.1 Introduction

The Basis of Union states that "The Church lives between the time of Christ's death and resurrection and the final consummation of all things which he will bring; she is a pilgrim people, always on the way toward a promised goal; here she does not have a continuing city but seeks one to come."

To assist in the mission journey we have available a variety of resources. The expectation is that each Presbytery or Congregation will endeavour to provide itself with the resources needed to undertake missional programmes, there is also a responsibility on the whole Church to act with vision and commitment to achieve each mission programme. It may be necessary for Presbyteries and Congregations to utilise funding from proceeds of sale of properties to achieve those mission goals.

The Mission Resource Fund was created by Synod Resolution 98.66. This resolution established the Joint Presbyteries Property Review Committee in order to redirect the capital released through the sale of any Synod, Presbytery or Congregation controlled property to assist in the fulfilment of those missional goals.

The report of the Synod Review Task Group, which was presented to the 19th Synod in October 1996, in its comments about the Mission and Service Fund concluded:



"The Fund is currently, and has been for the past decade, inadequate for financing the activities which the United Church considers important to its mission."

In addition, the task group reported:

"ASSETS - Perusal of the records discloses that the United Church in Queensland has substantial assets in the form of property with a value in excess of one billion dollars - possibly well in excess. These assets underpin the life of the church, as they include the centres of worship and a great array of assets employed by the agencies which function through the Department for Community Services. Some have been purpose gifted, some are incorporated, other heritage listed.

Nevertheless it appears that there are scattered throughout the property portfolio a range of lazy assets. By this, the task group means assets which are not providing appropriate value to the current operation of the church. Manses are a case in point. Today some ministers prefer to live in their own homes, receiving an allowance, instead of occupying manses owned by a church. Looking to the future it cannot be certain that with a change in ministers in due course, a manse may not be required. To guard against this, the manse may be rented out providing in the interim a cash flow towards the current manse allowance. Even so, there appears from an overall approach that there is a surplus of manses. There may also be church buildings in the same category.

Elsewhere in this report the question of conference centres is raised.

The task group sees substantial value in systematically reviewing its property portfolio to identify lazy assets, and then devising a strategy which takes into account other local needs and priorities within the presbytery and within the Synod as well as realising, and redirecting the resource to priority mission areas.

Inclusion of the properties of the agencies of Community Service is not proposed as the agencies are financed separately. It may well be, however, that it would be beneficial for those assets to be separately examined."

As a consequence of these and other comments and recommendations, the Synod passed a number of resolutions, which established the Mission Resource Fund (96.72), determined the primary income sources (96.72, 96.76) and the responsibility for operations, administration and management (96.72, 96.76).

The policy framework for the Mission Resource Fund was clarified by the 20th Synod. (98.66)

15.3.2 Definitions

A. Property

As per Regulation 4.1.1 ("Property" means property of whatsoever nature whether real or personal). Under this definition a major sale, whether it be land, building or its contents and plant, would be subject to the Guidelines adopted by the Synod Reserve Fund.

B. General Properties

Those which are being utilised until the date of sale by the parish or department for some specific purpose.



C. Under-utilised Properties

Are those which are not being used by a parish or department in the full or normal way at that particular time, and could be better or more effectively used in some other way.

15.3.3 Description and Purpose

The Mission Resource Fund is a capital fund, the sole purpose of which is to generate income for the benefit of the Synod Mission and Service Fund.

15.3.4 Resources (Base Fund)

The capital of the fund shall be derived from:

- (a) the net proceeds from the sale of any parish, presbytery or Synod property subject to the direction of the Joint Presbyteries Property Review Committee;
- (b) that proportion of the net income of the Fund, not exceeding 25% as determined by the Department for Financial and Property Services.

15.3.5 Resources (Reserve Fund)

A. Guidelines

(a) Proceeds of Sale

The Joint Presbyteries Property Review Committee will redirect the capital released through the sale of any Synod, Presbytery or Parish/Congregation controlled property, after first allocating ten percent of the net proceeds to the Parishes Development Fund.

The sale proceeds will be redirected according to the following priorities:

- (i) other capital expenditure for the achievement of previously defined missional purposes in the parish or congregation;
- (ii) other capital expenditure for the achievement of previously defined missional purposes within the presbytery;
- (iii) the funding of capital developments in growth areas or areas of missional need in the church; and
- (iv) application to the Mission Resource Fund.

Initially, after sale, all funds shall be placed in the Mission Resource Fund.

a) Use of Sale Proceeds

Departments, parishes, and congregations should exist, as far as possible, without having to use interest accruing on proceeds of sale for normal expenses. Nevertheless some will find it necessary to use such interest for normal purposes in order to remain viable and to continue their witness and service in the community.

Requests for use of the interest accruing on the sale proceeds are to be submitted in writing to The Director for the Department for Financial and Property Services setting out



the current financial position and a forward budget, together with endorsement by the relative presbytery.

B. The Management of the Mission Resource Fund

- (a) The Director, Department for Financial and Property Services shall be responsible to the Finance and Property Board for the management of the Fund.
- (b) All monies credited to the Mission Resource Fund and not immediately required shall be invested with the Uniting Church Investment Service.
- (c) Monies credited to the Mission Resource Fund shall be dealt with as follows:
 - (i) Held on deposit. Interest where applicable shall be credited each 30th June and 31st December.
- (d) Gifts may be received for the Fund from personal and church sources.
- (e) Loans may be received from personal or church sources including upon a free of interest or low interest basis to be held as part of the Fund but to be processed as specific deposits with the Uniting Church Investment Service.
- (f) Applications for grants from the Fund shall be considered by the Finance and Property Board and approved by the Council of Synod. Grants shall include the following:
 - (i) those which are made to meet crisis situations;
 - (ii) those which are made through the Parishes Development Fund Committee to stimulate the development and growth of the church, especially in new areas;
 - (iii) transfers to the Department for Financial and Property Services for administrative needs.
- (g) The aim of the Synod is to build up the capital of the Fund to an appropriate level to be determined from time to time by the Finance and Property Board.



Chapter 16 Appendices

16.1 Glossary of Terms

Accounting Principles	Rules which guide in the measurement, classification and interpretation of financial information.
Accrual Basis Of Accounting	The method of recording transactions which reports revenues in the period in which they are earned, and expenses in the period in which they are incurred.
Accrued	Added on or owing at the end of the financial period.
Annual Report	Information on the operations and financial position of an organisation.
Asset	Any item owned which has an economic value.
Audit	A review of the annual accounts, usually carried out by an independent/approved organisation or body.
Balance Sheet	A table showing the financial position at a given date in terms of assets, liabilities and bank account or investment funds.
Bank Reconciliation	A statement showing the difference between bank account balances and the balance according to the financial records, (generally payments not banked).
Budget	A detailed estimate of the planned income and expenses for the next financial period expressed monthly.
Cost Benefit	The comparison of the cost versus the benefit derived. Often purchased items are over specified and have functions not fully utilised.
Cost Effectiveness (Analysis)	The costs associated with providing a service; often measured against previous experience or as a percentage of the income generated.
Cost Centre	A programme or organisation which has all its costs and income grouped together in order to measure and monitor performance.
Creditor	Someone to whom money is owed.
Debtor	Someone who owes money to another.
Deferred	A service or benefit, delayed to a later time.
Deficit	Where the expenses exceed the income.
Depreciation	The revaluing of an asset over its useful life.



Equity	An interest in a business, accumulated funds and capital.
Expense	A cost incurred in a specific period.
Financial Management	The control of the organisation's resources, its cash resources and information base.
Fixed Asset	A tangible long term asset; buildings, equipment, etc.
Fixed Cost	Costs which exist irrespective of the level of operation; rates, taxes, phones etc.
Fund	An account set up to show monies received for specific purposes.
Indirect Cost	Any expense which cannot be attributed to a specific project or programme.
In-Kind	Services or goods provided without cost.
Inventory	Goods or material held in storage for sale.
Liability	An amount owing to another person or organisation.
Liquidity	Cash or assets easily converted to cash.
Prepayment	Payment made for goods or services before services or goods received.
Reconciliation	Ensuring two or more balances agree, often used in reference to checking bank balances with the accounting system.
Reserves	Amounts set aside to provide future programmes or to act as a buffer against changing circumstances
Revaluation	The change in value of an asset. Often the result of comparing its book value with market and comparable items.
Surplus	Where income exceeds expenses in a given period.
Transaction	A financial event which results in an entry in the accounts.



16.2 Chart of Accounts

Account	Description	Type
1-0000	<i>Assets</i>	Header
1-1100	PCP Account UCIS	Detail
1-1105	Bank Account	Detail
1-1200	Fixed Term Deposit UCIS	Detail
1-2000	Sundry Debtors	Detail
1-3000	Petty Cash	Detail
2-0000	<i>Liabilities</i>	Header
2-1000	MSS Loan Account	Detail
2-2000	Sundry Creditors	Detail
2-3000	<i>GST Liabilities</i>	Header
2-3010	GST Collected	Detail
2-3030	GST Paid	Detail
3-0000	<i>Equity</i>	Header
3-8000	Retained Earnings	Detail
3-9000	Current Earnings	Detail
3-9999	Historical Balancing Acco	Detail
4-0000	<i>Income</i>	Header
4-1100	Offerings	Detail
4-1105	Offerings Open Plate	Detail
4-1110	Offerings Envelopes	Detail
4-1115	Offerings Donations	Detail
4-1200	<i>Fundraising</i>	Header
4-1205	Funds Raised by Special E	Detail
4-1210	Ministry	Detail
4-1300	<i>Property Income</i>	Header
4-1305	Hall Rental	Detail
4-1310	Manse Rental	Detail
4-1400	<i>Investment Income</i>	Header
4-1405	Bank Interest	Detail
4-1410	Fixed Investment	Detail
4-1415	MSS Support	Detail
4-1500	<i>Ministerial Services</i>	Header
4-1505	Chaplaincy	Detail
4-1510	Weddings	Detail
4-1515	Funerals	Detail
4-1600	<i>Activities Non F/Raising</i>	Header
4-1610	Day Camp	Detail
4-1615	Family Camp	Detail
4-1700	<i>Retiring Offerings</i>	Header
4-1705	Retiring Offerings - Synod	Detail
4 -1710	Retiring Offerings - Other	Detail



4-1800	<i>Grants Received</i>	Header
4-1805	Home Mission	Detail
4-1810	Twinning	Detail
4-1820	UC Foundation	Detail
4-1900	<i>Sundry Receipts</i>	Header
4-1905	Jam Sales	Detail
4-1910	Refund Telephone Expense	Detail
4-1915	Sundry Income	Detail
4-2000	<i>Capital Receipts</i>	Header
4-2005	Proceeds of Property Sale	Detail
4-2010	Sale of Assets	Detail
4-2015	Loan Proceeds	Detail
4-2100	<i>Transfer from Other Committees</i>	Header
4-2105	Transfer from Adult Fellowship	Detail
4-2110	Transfer from other committees	Detail
4-9000	GST Rounding Account	
5-0000	<i>Cost Of Sales</i>	Header
5-5100	Purchases- books	Detail
6-0000	<i>Expenses</i>	Header
6-1000	<i>Ministerial Costs</i>	Header
6-1005	Stipend	Detail
6-1010	House Allowance	Detail
6-1015	Basic Travel Allowance	Detail
6-1020	Beneficiary Fund	Detail
6-1025	Super Guarantee Charge	Detail
6-1030	Cont Education for Ministry	Detail
6-1035	Sickness & Accident Insurance	Detail
6-1040	Workcover	Detail
6-1100	<i>Mission Support Staff</i>	Header
6-1105	Wages	Detail
6-1115	Reimbursements	Detail
6-1200	<i>Belonging & Mission Fund</i>	Header
6-1205	Mission and Service Fund	Detail
6-1300	<i>Other Synod/Presb Payment</i>	Header
6-1305	Travel Equalisation Fund	Detail
6-1310	Other payments	Detail
6-1400	<i>Property Maintenance</i>	Header
6-1405	Repairs - Church	Detail
6-1410	Repairs - Hall	Detail
6-1415	Repairs - Manse	Detail
6-1420	Grounds Maintenance	Detail
6-1500	<i>Activities Non F/Raising</i>	Header



6-1505	Equipment Hire	Detail
6-1510	Food Expense	Detail
6-1520	Day Camp Expenses	Detail
6-1600	<i>Sundry Operating Expense</i>	Header
6-1605	Advertising	Detail
6-1610	Postage	Detail
6-1615	Electricity/Gas	Detail
6-1620	Cleaning Costs	Detail
6-1625	Council Rates	Detail
6-1630	Insurance	Detail
6-1635	Telephone/FAX/Internet	Detail
6-1640	Stationery & Printing	Detail
6-1645	Interest on Loan Repayments	Detail
6-1650	Journals/Newspapers	Detail
6-1655	Subscriptions/Memberships	Detail
6-1660	Security/Fire Protection	Detail
6-1665	Sundry other expenses	Detail
6-1670	Ministry Expenses	Detail
6-1675	Bank Charges	Detail
6-1700	<i>Retiring Offerings</i>	Header
6-1705	Payment of retiring offering	Detail
6-1780	<i>Funeral Expenses</i>	Header
6-1785	Funeral Expenses	Detail
6-1800	<i>Transfer to Other Committees</i>	Header
6-1805	Transfer to other Committees	Detail
6-1900	<i>Capital Expense</i>	Header
6-1905	Loan Repayments	Detail
6-1910	Manse	Detail
6-1915	Hall	Detail
6-1920	Church	Detail
6-1925	Grounds	Detail
6-1930	Equipment	Detail
8-0000	<i>Other Income</i>	Header
9-0000	<i>Other Expenses</i>	Header



16.3 Assembly Regulations

The Uniting Church acknowledges that the demand of the Gospel, the response of the Church to the Gospel, and the discipline, which it requires, are partly expressed in the formation by the Church of its law. The aim of such law is to confess God's will for the life of the church; but since law is received by human beings and framed by them, it is always subject to revision in order that it may better serve the Gospel.

Extract from the Constitution and Regulations 2001 ed

The following rules and regulations guide us in the way we conduct ourselves as a congregation, and as treasurers.

The rules and regulations have been introduced early in this document to help you understand the processes described later in the document.

The rules and regulations come from two predominant sources, the National Assembly and the Synod of Queensland.

The by-laws and regulations covered in this document are those which govern the operation of a church treasurer, along with the Australian Accounting Standards.

Constitution and Regulations 2001 edition

Government and Administration – Who Can Be Treasurer?

(Extract from Section 3 of the Regulations)

“3.1.21 The Church Council shall appoint annually from among its members a treasurer who shall:

- (a) keep the book of account, enter therein a record of all monies received and of all payments made, and produce this at all general meetings of the congregation;
- (b) lodge all monies received in an account identified as belonging to the Congregation in any one or more of the financial institutions satisfying the requirements of Regulation 5.5.10(b);
- (c) produce the records and other evidence of transactions whenever called upon to do so by the Church Council; and prepare financial statements for the consideration of the Church Council and Congregation.”

Although there is no requirement for the treasurer to be a qualified accountant, it will certainly help if the person considered has a good working knowledge of accounts, especially with the enactment of GST.

For the appointee to act correctly, the Church Council should ensure the treasurer has a copy of the current Regulations of the Uniting Church. In doing so, the relevant sections pertaining to finance and audit shall be highlighted.

Prudent Church Council's will appoint an assistant to provide support during holidays and sickness. The term of the assistant should overlap that of the treasurer where possible to provide continuity.



With the advent of GST it is advisable that the appointee be conversant with, or is provided training with the application of the GST and its reporting mechanism the Business Activity Statement (BAS).

Responsibilities will include:

- ♦ Security of Money ... collections, fetes, sales, etc,
- ♦ Counting and banking of offerings,
- ♦ Monitoring bank accounts,
- ♦ Payment of invoices,
- ♦ Regular balancing of accounts / bank reconciliations,
- ♦ Financial reporting to Church Council and Presbytery,
- ♦ Preparation of annual accounts,
- ♦ Budgeting,
- ♦ Oversight of all financial transactions within the jurisdiction of the congregation,
- ♦ Security of all assets,
- ♦ Management of church's insurance needs.

Finance and Budgeting –(Extract from Section 5 of the Regulations)

“5.3.4 The by-laws of a Synod shall include provision for:

- (a) such directives or guidelines as may be necessary or desirable relative to the financial responsibilities and procedures of the Presbyteries, Congregations and other bodies within its bounds;

5.4.1 The Presbytery may, in consultation with the Synod, arrange for contributions from the Congregations of such funds as are necessary to meet the normal administrative expenses of the Presbytery, and for such other purposes as the Synod may approve.

5.5.1 A Congregation shall establish a fund to be known as the Congregational Fund, which will be administered by the Church Council.

5.5.2 The Congregational Fund shall, except where the Presbytery otherwise determines, comprise:

- (a) all offerings received at services of worship of the Congregation;
- (b) all donations made to the Congregation for general Church purposes;
- (c) all monies raised on behalf of the Church Council; and
- (d) such other monies as the Church Council may assign thereto; provided that monies given to or raised for a specific purpose shall be so applied, and any special appeals except those officially approved by the Presbytery, the Synod or Assembly shall first have the approval of the Church Council.

5.5.3 Monies received into the Congregational Fund shall be used in the following order of priority:



- (a) payment of stipends, salaries and associated allowances and charges;
- (b) payment of essential operating costs which are the responsibility of the Congregation;
- (c) payment of Synod and Presbytery contributions and allocations;
- (d) such other expenditures as the Congregation or Church Council may approve and as are consistent with the purposes of the Church.

5.5.4 A property fund or funds may be established in respect of one or more of the properties within the responsibility of the Church Council and may be administered by the Church Council or by a committee or committees on its behalf. The Church Council shall have final responsibility for ensuring that the Regulations, by-laws and rules are duly observed, and that the proper banking, accounting and auditing has been carried out.

5.5.5 The Church Council may authorise the establishment of other funds in respect of any organisation, body or activity under the oversight of the Church Council, and shall prescribe such conditions as the Church Council considers appropriate as to the sources of income for such funds, the objects for which such funds may be expended and for the proper accounting for those funds.

5.5.7 Before any Congregation, Church Council, organisation, or agency of the Church arranges for or incurs a debt by means of borrowing, it shall obtain the approval of the Synod Property Board or such body to whom the power of approval is delegated by it.

5.5.10 Books of Account

- (a) The proper use of approved methods of accounting is required in relation to all funds of the Church. The body responsible shall keep proper books of account in which shall be entered an account of all receipts and disbursements received or made, of all credits and debts owing or due and of all matters necessary for the due and full explanation of same, and the body responsible shall, upon the request of the chairperson of the Church Council or other appointing body or the Synod Property Officer or any person authorised by any one of them, produce the same together with all supporting or relevant accounts, receipts, documents and writings for inspections, and shall permit extracts there from or copies thereof to be made by any such officers of persons authorised as aforesaid.

Monies to be banked

- (b) All monies received from time to time shall be placed to the credit of an account in the name of the body responsible in any one or more of the following institutions:
 - (i) a bank;
 - (ii) a permanent building society;
 - (iii) a credit union;
 - (iv) a fund or agency of the Church;
 - (v) any other body;

provided the particular financial institution has been approved by the Synod. The body responsible shall appoint two or more persons to operate on such account and may from time to time alter or revoke a previous appointment and/or make new or additional appointments. Any such institution shall be empowered to honour such withdrawals by way of cheque or otherwise bearing the signature of any two of such



persons, unless and until written notice shall be given to and received by such institution of any other appointment or the alteration or revocation of any appointment.

Audit

- (c) The books of account shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Church Council or other appointing body as the case may require.

Appointment of Auditors

- (d) The auditor or auditors shall be appointed annually. Subject to the variation in (e) below, the auditor(s) shall be a qualified accountant or, if more than one, shall include at least one qualified accountant. For the purpose of this Regulation a qualified accountant means:
 - (i) a person who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants, or
 - (ii) any other person who has qualifications and experience requisite for registration as a company auditor under the Corporations Law and who in the opinion of the appointing body is a fit and proper person to undertake the responsibility.

Variations to Qualifications

- (e) Where the gross income of a Congregation or body or fund in the year is below a figure that equates to 2.5 times the notional stipend the books of account may be audited and certified by two persons who are not qualified in terms of (d) above, but who are, in the opinion of the appointing body, fit and proper persons to undertake the responsibility. Notional stipend for the purpose of this Regulation means the amount determined for the year by the Board of Directors of Benefund Limited.

Eligibility as Auditor

- (f) The auditor appointed shall not be a member of the board, council or committee whose accounts are being audited unless a Presbytery with respect to accounts of Congregations or Congregational organisations within its bounds, or the Synod Property Board with respect to accounts of other councils or organisations, determines, at the request of the appointing body, that special circumstances exist in which case a member of the board, council or committee may be appointed to be auditor.

Presentation of Accounts

- (g) Audited accounts signed by the auditors and bearing a certificate in such form as the Synod may prescribe shall be submitted to the Church Council, or other appointing body or the body responsible for their administration and control, as may be appropriate, at least once in every year, and to the Synod Property Board and the Presbytery Property Committee (in respect of Congregations and their organisations) whenever required.

Budgets

- (h) Comprehensive and detailed budgets should be prepared during the current year for the next succeeding year for:



- (i) a Congregation and its organisations - in the manner directed and approved by the Church Council;
- (ii) a Presbytery and its committees - in the manner directed and approved by the Presbytery;
- (iii) Synod divisions, boards, agencies - in the manner directed and approved by the Synod or its delegated authority;
- (iv) Assembly commissions and agencies - in the manner directed and approved by the Assembly or its delegated authority.”

By-laws (Synod) (Extract from By-Law Q2.3.13)

“The responsibilities of the Department for Financial and Property Services in relation to investments shall include-

- a) the administration of the investments of all committees, councils, boards, departments, agencies and all other activities of the Church as directed by the Synod from time to time, provided that these bodies may invest their own funds up to \$5,000 in authorised Trustee investments;”

In simple terms this means monies in excess of \$5,000 working capital shall be held in one or more UCIS, (Uniting Church Investment Service), accounts in the name of the congregation.