Treasurer Induction

TORSTEN MARSDEN, CHIEF FINANCIAL OFFICER

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Agenda

Anglican Church
Diocese of Perth

- Duties of the Parish Treasurer
- Diocesan Assessments
- Goods and Services Tax
- Government Authorities
- Diocesan Office resources and support
- Open questions

Duties of Parish Treasurers

Duties of the Parish Treasurer

OVERVIEW

Anglican Church
Diocese of Perth

1 **Start with the Statute**
Section 64 of the Parish Governance Statute sets out the duties of the Parish Treasurer.

2 **Then the guidance**
Parish records and the Diocesan website are the primary day-to-day sources of information.

3 **Then ask for help**
The Diocesan Finance Team is a further source of information and support.

Finance

This section contains useful information and resources to assist parishes and treasurers to foster good financial in financial matters.

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The Parish Treasurer can find information from parish records, the Diocesan website, and the Diocesan Finance Team, who also offer support.

Duties of the Parish Treasurer

PARISH FUNDS

Anglican Church
Diocese of Perth

The requirements for managing parish funds are contained in the Parish Governance Statute Part 13, with supporting guidance on the Diocesan website.

- All parish funds must be deposited in an Anglican Community Fund (ACF) account.
- This also relates to legacies and bequests received by Parishes subject to specific trusts.
- It is recommended that all funds received should be banked as soon as practicable and preferably within two business days.
- Two signatories are needed for each withdrawal from bank accounts, who must be authorised by the Parish Council.

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Advice concerning the management of parish funds is also available on the diocesan website.

Duties of the Parish Treasurer

FINANCIAL RECORDS AND REPORTS

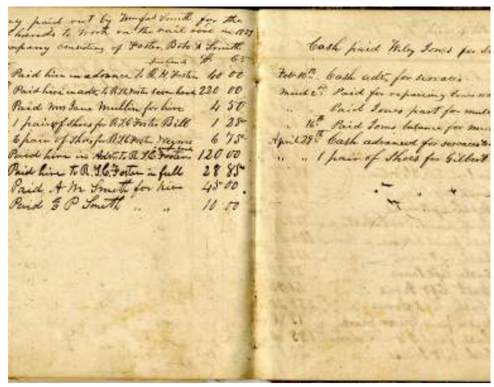
Anglican Church
Diocese of Perth

Parishes must keep adequate financial records and report regularly to Parish Council and the Diocese.

Records (Parish Governance Statute s.63) may be an accounting package, spreadsheets or manual books, provided they accurately record income and expenditure and are kept up to date.

Bank reconciliations are to be completed at least monthly for all parish accounts.

- Parish Council should receive reports at each regular meeting: income and expenditure for the month and year to date against budget, bank statements and reconciliations, and outstanding accounts and commitments.
- Audited, reviewed or examined statements, annual budget and the annual financial return go to the Diocese by 31 July each year.



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Advice concerning the retention of records is also available on the diocesan website. Records must be appropriate for the frequency, size and complexity of the parish's transactions and maintained on a timely basis. Monthly reports to Parish Council typically include income and expenditure for the previous month and year to date with comparison to budget and/or prior year and comments on significant variations; bank statements since the previous meeting with the reconciliation; and a summary of outstanding accounts due for payment and commitments. Instructions for the Annual Financial Returns are sent out annually in April, and the return in the prescribed form is due to the Diocese by 31 July.

Duties of the Parish Treasurer

INTERNAL CONTROLS

Anglican Church
Diocese of Perth

A risk-based approach should be applied to parish finances and certain internal controls applied to manage risks.

The Parish Council is responsible for ensuring that a satisfactory system of internal control is supported by the parish, which must include:

- sound practices for efficient, effective, and economical management including the preparation of budgets,
- the monitoring of variances,
- procedures for the safeguarding of assets, and
- separation of the function and responsibilities for financial record-keeping and the parish clergy.

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The Treasurer has a key role in advising the Parish Council on policies and procedures to ensure these requirements are met. The Parish Auditor or Examiner is also a valuable source of guidance in this respect and should be approached if you have any concerns.

Duties of the Parish Treasurer

INTERNAL CONTROLS

Anglican Church
Diocese of Perth

Cash receipts and payments both require two-person controls.

- Offerings are counted by two people who record the count in the Parish register and initial it; funds are banked as soon as practicable, with secure storage in the meantime.
- Two signatories are required for cheque payments, and two authorised approvers for electronic withdrawals or transfers.
- All payments must be supported by proper documentation, such as supplier invoices, sighted and initialled at the time of approval.
- Parish Council may apply to the Diocesan Secretary for credit cards, issued in the name of individuals it authorises.

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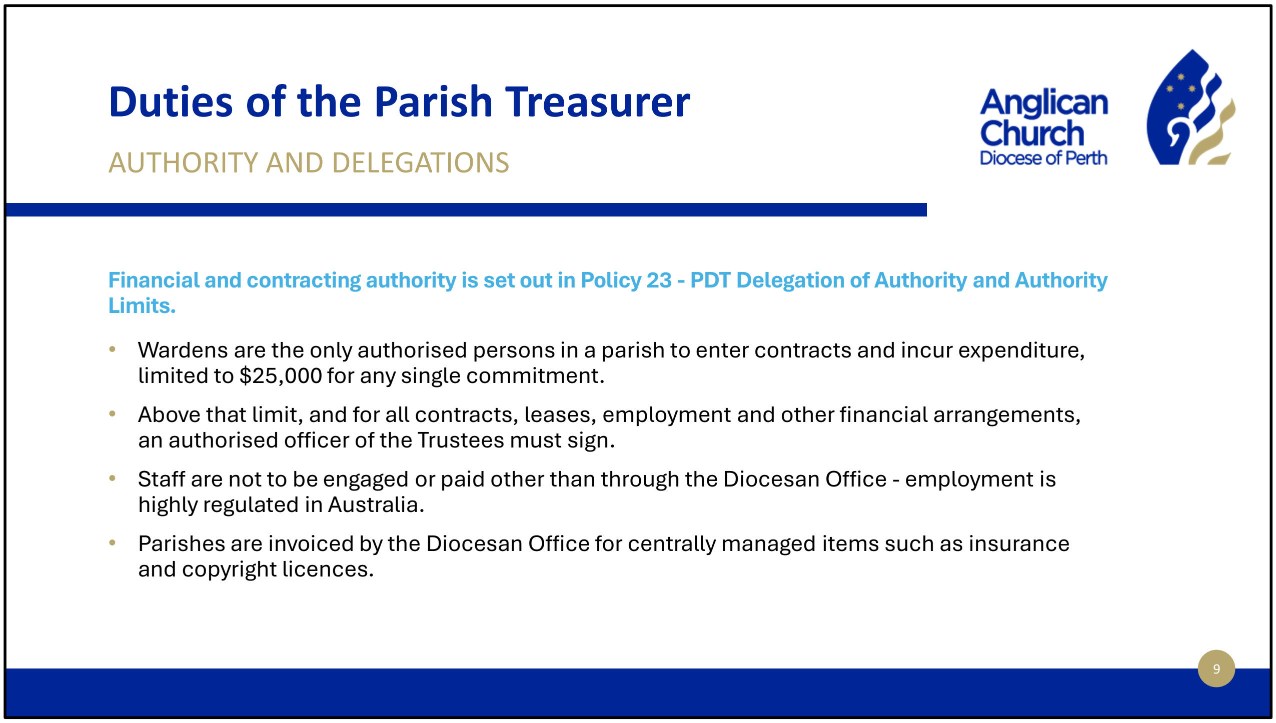
Internal controls for cash are procedures designed to safeguard cash. Controls are imperative for any financial activity, but cash is especially vulnerable to fraud because its security is directly tied to the person handling it. There should be adequate procedures for the physical security of monies between receipt and banking. Payment controls keep payments secure, accurate and authorised: only pay an invoice when you can prove it is genuine, matching it to a purchase order and, if applicable, a goods received document. Each authoriser must check the supporting documentation before authorising the payment. Credit cards are issued in the name of individuals authorised by the Parish Council.



All policies can be found on the Diocesan website, including Policy 23 – PDT Delegation of Authority. All contracts, including employment contracts, leases or other financial arrangements on behalf of a parish, must be entered into by the Trustees. The definition of employee is complex and includes someone who works under a contract wholly or principally for the labour of the person – contact Diocesan Office Human Resources for assistance before engaging anyone to work in the parish. Parishes periodically receive invoices from the Diocesan Office for centrally managed items such as insurance and copyright licences.

Diocesan Assessments

Diocesan Assessments

OVERVIEW

Anglican Church
Diocese of Perth

Each parish contributes an assessment to the Diocese in accordance with the Parish Governance Statute.

What the assessment provides for

- Expenditure of Diocesan Council
- Expenses of the Diocesan, Provincial and General Synods
- Matters authorised or required by statute, and purposes incidental to them

Two rates: Ordinary income and Commercial income
The assessment is calculated at different rates depending on which category the income falls into, in accordance with the Parish Governance Statute 2016.

Parish assessment payable is determined in accordance with the Parish Governance Statute 2016, which can be found on the Diocesan website.

Diocesan Assessments

ASSESSABLE INCOME

Anglican Church
Diocese of Perth

- ❑ **Ordinary Income is assessed at 15%**
- ❑ **Commercial Income is assessed at 35%.**
- Ordinary Income includes offertory, giving, donations, fetes, rental from rectories and op shop income - the last three net of related expenses.

  Assessable Ordinary Income is after a standard deduction of $15,000, deductions for approved expenditure, and excluding items such as Diocesan grants.
- Commercial Income is all rent and other income, net of operating expenses, from commercial properties (residential, industrial, office or retail) owned or held for the benefit of the parish.

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It is important that parish financial records can identify the different types of income earned by the parish and, in the cases where income is assessed on a net basis, the related expenditure for that activity. Commercial income is assessed at the higher rate of 35% on the net amount, and covers rent and other income from commercial properties – residential, industrial, office or retail – owned or held for the benefit of the parish.

Diocesan Assessments

PAYMENTS

- Each parish must pay monthly by direct debit one-twelfth of the annual budgeted ordinary income component and one-twelfth of the commercial income component of the assessment (if any).
- An adjusting payment is to be made at the end of the Diocesan accounting year where that is necessary, and any overpayment by a parish in a fiscal year shall be returned to the parish.

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An annual financial return is completed by the Treasurer for each financial year ended 30 April that calculates the actual assessment payable for the financial year. The Diocesan Office finance team reviews the financial return and will advise the parish of any adjustments required.

Goods and Services Tax (GST)

Goods and Services Tax

TAXABLE SUPPLIES

Anglican Church Diocese of Perth

- GST applies to all transactions unless exempt.
- Most parish supplies are limited — e.g. hall hire fees.
- Not subject to GST: offerings, donations, bequests, stipends, wages, allowances, super and long service leave.
- Always consider GST before invoicing.
- If GST should have been charged but wasn't, the parish still owes the ATO 1/11th of funds received.

Goods and Services Tax, known as GST, is applicable when a parish provides or receives goods or services. Where income is received other than in respect of a supply of a good or service by the parish, it is normally exempt from GST. The application of GST must be considered before the parish issues an invoice for the supply of goods or services. If the parish does not include GST in the price and should have done, the parish must still pay 1/11th of the funds received to the ATO – the liability remains with the parish even if it does not collect the GST.

Whilst most goods and services supplied in Australia by a registered entity are taxable supplies, many common sources of parish income and expense are not subject to GST, including offerings, donations, the proceeds of bequests, stipends, wages, allowances, superannuation and long service leave. For many parishes there are only limited circumstances when the parish will be required to charge GST, for example hall hire fees. If a parish receives income from any source, it must consider whether GST applies before invoicing. If you are unsure how to apply GST to a supply, please contact the Diocesan Office finance team for assistance.

Goods and Services Tax

INPUT CREDITS

Anglican Church
Diocese of Perth

You can claim GST credits when all four apply

- ✓ **Parish use** Purchase is used solely or partly for the parish and not for input-taxed supplies
- ✓ **GST in the price** The purchase price included GST
- ✓ **Payment liability** You have paid, or are liable to pay, for the item
- ✓ **Tax invoice held** You hold a valid tax invoice from the supplier

$82.50
A tax invoice is required for purchases above this amount

$1,000
Invoices above this amount must carry further information

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GST paid included in amounts paid to suppliers can be claimed back from the ATO provided you meet the tax requirements.

Goods and Services Tax

INPUT TAXED AND RELIGIOUS GROUP SUPPLIES

Anglican Church
Diocese of Perth

Input-taxed supplies include most financial supplies and most residential rent and residential premises.

No GST charged

You do not charge GST on an input-taxed supply.

No input credits

You are not entitled to input tax credits for anything acquired to make that supply.

GST Religious Group

Transactions within the group are not subject to GST — parish to Diocese, parish to parish, and parish to Anglican entities within the Anglican Church of Australia.

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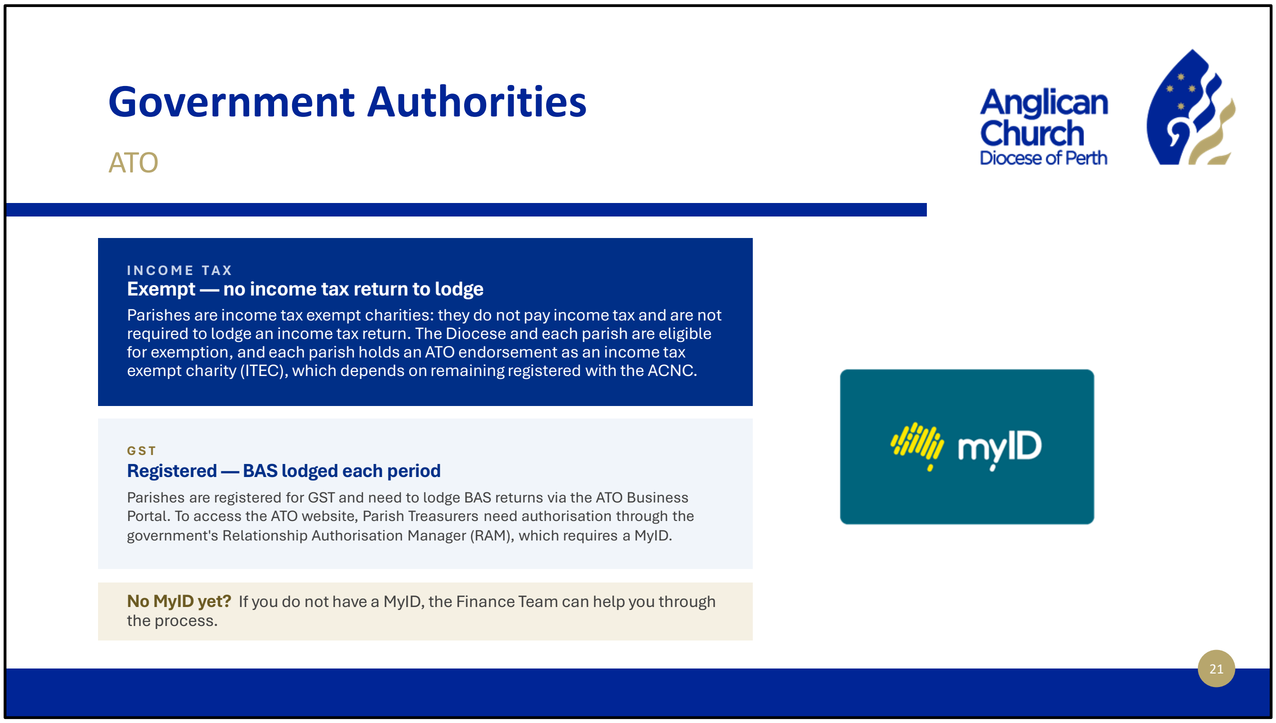
It is important that expenditure related to residential properties rented to tenants is not included in amounts claimed back from the ATO. The entire cost of the supply including the GST portion is treated as a cost. If you are unsure whether to charge GST, check with the Diocesan Office finance team – if you charge GST incorrectly you will be required to pay it to the ATO, but the recipient will be unable to claim the input credit.

Government Authorities

The lodgement of returns with the ACNC is administered by the Diocesan Office. If you have any questions in relation to your registration with the ACNC, please contact the Diocesan Office finance team.



The ATO has moved to online reporting and lodgements and you will need to establish your digital identity using the governments MyID application on a smartphone to access the ATO Business Portal. A guide to accessing the ATO Business Portal is on the Diocesan website; contact the Diocesan Office finance team if you need help. Each parish will have applied to the ATO and received an endorsement as an income tax charitable entity (ITEC), and must remain registered as a charity with the ACNC to maintain that status.

Diocesan Resources

Diocesan Office

RESOURCES, FORMS AND GUIDANCE

Anglican Church
Diocese of Perth

Parish Treasurers should be familiar with the following:

- The Parish Governance Statute
- Policy 3 - Non-assessable Donations for Capital Works Projects
- Policy 4 - Planned Intervention for Financial Arrears
- Policy 23 - PDT Delegation of Authority and Authority Limits

Key forms and full guidance are on the Diocesan website under Financial Resources

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As a Parish Treasurer it is important you take time to read and understand the Parish Governance Statute as appliable to the finances of the parish and the related policies so you can provide guidance to the Parish Council on these matters. The Diocesan website also holds the forms you will need – Annual Financial Returns, Selection of an Independent Examiner, Guidelines for Independent Examiners, Declaration of Beneficial Owner Land Tax Exemption, and Application for Exemption from Assessment for Donations for Capital Works Projects – along with guidance on parish funds, records and reporting, budgets, internal controls, receipts, payments, assessments and GST.

Diocesan Office

FINANCE TEAM SUPPORT FOR PARISHES

Anglican Church
Diocese of Perth

The Finance team in the Diocesan Office provides administrative services and support for parishes.

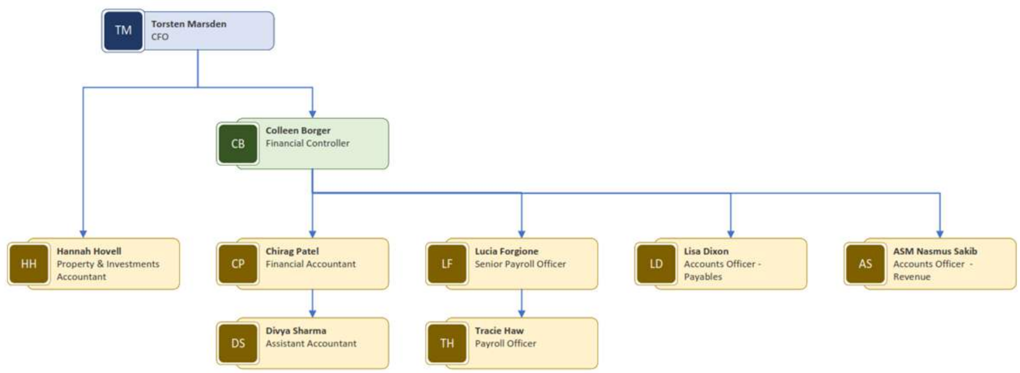
- Payroll services for clergy and lay staff engaged by parishes;
- Assessment administration and collection on behalf of Diocesan Council;
- Billing for other services e.g., police clearances, insurances, land tax; and,
- Maintenance of Australian Business Register and ACNC records, including lodgment of ACNC annual returns for all parishes.
- Support related to GST and other tax matters.

Diocesan Office provides support and services to assist parishes and Parish Treasurers. You are welcome to contact the finance team if you need help or assistance.

Diocesan Office

FINANCE TEAM

Anglican Church
Diocese of Perth



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- General assistance, GST, ATO, myID, ACNC and other compliance matters - Torsten or Colleen
- Payroll – Lucia
- Amounts payable to Diocese – Sakib
- Assessments - Chirag

Finance Team

CONTACT INFORMATION

Phone: (08) 9425 7200

Accounts:
accounts@perth.anglican.org

Payroll:
payroll@perth.anglican.org

ACF:
info@anglicancf.com.au

Open Questions

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Anglican Diocese of Perth
Parish Treasurer Handover Checklist

A. Governance & Compliance

Checklist Item	Notes
☐ Parish Governance Statute and relevant diocesan policies provided	Parish Governance Statute 2016 Policies | Anglican Church Diocese of Perth
☐ Treasurers Resources / Training	Parish Resources | Anglican Church Diocese of Perth Finance | Anglican Church Diocese of Perth Annual and Financial Returns | Anglican Church Diocese of Perth Lay Parish Council Workshops | Anglican Church Diocese of Perth
☐ Latest Annual Financial Return	
☐ ACNC registration and reporting status	Administered by Diocesan Office – Finance
☐ Insurance policies and renewal dates	Administered by Diocesan Office – Operations
☐ Audit / independent examiner reports	
☐ Parish Council minutes relating to finance	

B. Financial Records

Checklist Item	Notes
☐ Full accounting records (ledger or software access)	
☐ Income and expenditure reports (current and prior year)	
☐ Budget and forecast	
☐ Bank reconciliations	
☐ Cash books / receipt books	
☐ Debtors and creditors listings	

C. Bank Accounts & Investments

Checklist Item	Notes
☐ List of all bank and investment accounts	https://anglicancf.com.au/
☐ Bank statements and mandates	info@anglicancf.com.au
☐ Online banking access transferred	
☐ Direct debits and standing orders list	
☐ Unused cheque and deposit books	
☐ Cash counted and signed verification completed	

D. Systems & Access

Checklist Item	Notes
☐ Accounting software access	
☐ Online giving platforms	
☐ Email and shared drives access	
☐ All passwords reset	

E. Income & Receipts

Checklist Item	Notes
☐ Procedures for offerings and counting	
☐ Electronic giving arrangements	
☐ Other income sources documented	
☐ Banking procedures confirmed	

F. Payments & Obligations

Checklist Item	Notes
☐ Supplier and payment lists	
☐ Payroll details	Diocesan Office - Payroll
☐ Diocesan remittances and assessments	
☐ Loans and borrowing arrangements	
☐ Contracts and service agreements	

G. Assets & Liabilities

Checklist Item	Notes
☐ Asset register	
☐ Liabilities listing	
☐ Insurance schedule	Diocesan Office - Operations

H. Reporting & Calendar

Checklist Item	Notes
☐ Monthly reporting template	
☐ Quarterly GST/BAS reporting	
☐ Annual reporting process	
☐ Key compliance and reporting dates	
☐ Prior financial reports provided	

I. Internal Controls

Checklist Item	Notes
☐ Delegated authorities and limits	
☐ Two signatories arrangement	
☐ Documented approval processes	
☐ Segregation of duties in place	

J. Contacts & Notifications

Checklist Item	Notes
☐ Auditor / examiner contact	
☐ Parish leadership contacts	
☐ Stakeholders notified of change	

Diocesan Office Contact Information:

Phone: (08) 9425 7200

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Payroll: payroll@perth.anglican.org

ACF: info@anglicancf.com.au