



# Treasurer Induction

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TORSTEN MARSDEN, CHIEF FINANCIAL OFFICER



# Duties of Parish Treasurers

# Duties of the Parish Treasurer

## OVERVIEW



The duties of a Parish Treasurer are outlined in the Governance Statutes on the Diocesan website.

- The primary responsibility of the Parish Treasurer is the management of the Parish's financial resources.
- Apart from providing financial information to the Parish Council, the Parish Treasurer is also responsible for the preparation of the annual financial statements.
- The Diocesan website provides further information and guidance on the duties of the Parish Treasurer.



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# Duties of the Parish Treasurer

## PARISH FUNDS



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 withdrawals from bank accounts who must be persons authorised by the Parish Council.



# Duties of the Parish Treasurer

## FINANCIAL RECORDS

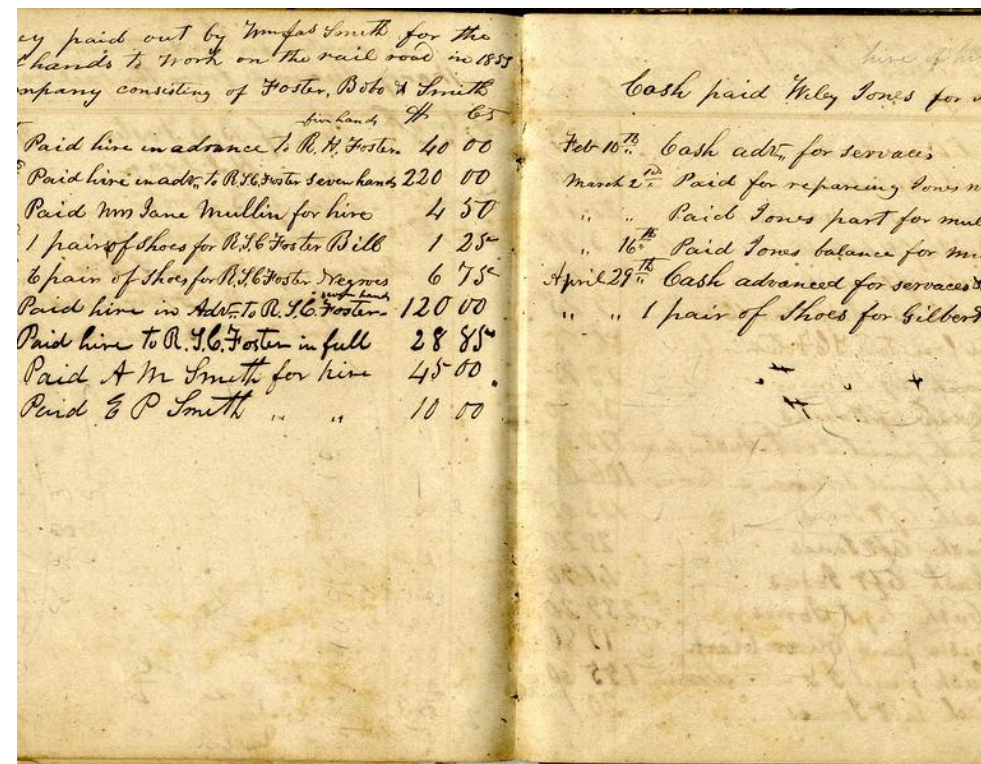


The requirements for managing parish financial record are contained in the Parish Governance Statute Section 63, with supporting guidance in the Diocesan website.

The Parish should maintain adequate financial records to correctly record and explain the financial transactions and financial position of the parish.

These could be a computerised accounting package, spread sheets or manual books of account but the following key features should be present:

- the records maintained should be appropriate for the purposes of accurately recording the Parish's income and expenditure considering the frequency, size, and complexity of the Parish's transactions; and
- the records should be maintained on a timely basis with bank reconciliations conducted at least monthly for all Parish accounts.



# Duties of the Parish Treasurer

## FINANCIAL REPORTS



**Financial reports are required by the Parish Council and annually for the Diocesan Council.**

The Parish Council should be given financial reports for consideration at each regular meeting. Typically, depending on the composition of each Parish Council, such reports could include:

- Income and expenditure account for the previous month and year to date and comparison with budget and/or the previous fiscal year and comments on significant variations.
- Copy of bank statements since the previous meeting and bank reconciliation.
- Summary of outstanding accounts due for payment and commitments.

Details of audited, reviewed or examined statements and the budget of expected income and expenditure together with a financial return in the prescribed form are forwarded to the Diocese by 31 July annually.



# Duties of the Parish Treasurer

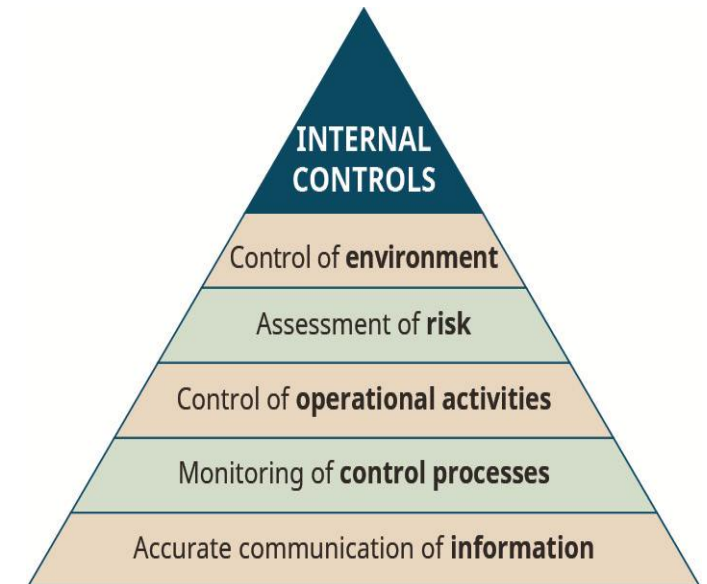
## INTERNAL CONTROLS



**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.



# Duties of the Parish Treasurer

## INTERNAL CONTROLS



**Offerings at services are to be counted by two people and cash should be banked as soon as possible.**

- Offerings at services are to be counted by two people who should record their count in the Parish register and initial same.
- There should be adequate procedures for the physical security of monies between receipt and banking.



# Duties of the Parish Treasurer

## INTERNAL CONTROLS



### Two signatories are required for all payments

- Two signatories are required for all cheque payments and two authorised approvers are required for an electronic withdrawal or transfer.
- All payments need to be supported by proper documentation such as suppliers' invoices, which should be sighted and initialed by signatories at the time of signing cheques or withdrawals.
- The Parish Council may apply to the Diocesan Secretary for the issue of credit cards for use by the parish. Credit cards are issued in the name of individuals authorised by the Parish Council.



# Duties of the Parish Treasurer

## AUTHORITY AND DELEGATIONS



**The delegation of financial and contracting authority in parishes is contained in Policy 23 – The Perth Diocesan Trustees (PDT) Delegation of Authority and Authority Limits.**

- The delegation of financial and contracting authority in parishes is contained Policy 23, PDT Delegation of Authority and Authority Limits.
- Wardens are the only authorised persons in parishes for entering into contracts and incurring expenditure. This authority is limited to amounts less than \$25,000 for any single commitment. If the commitment exceeds this, then an authorised officer of the PDT must sign the contract.
- All contracts, including employment contracts, leases, or other financial arrangements on behalf of a parish must be entered into by the Trustees.

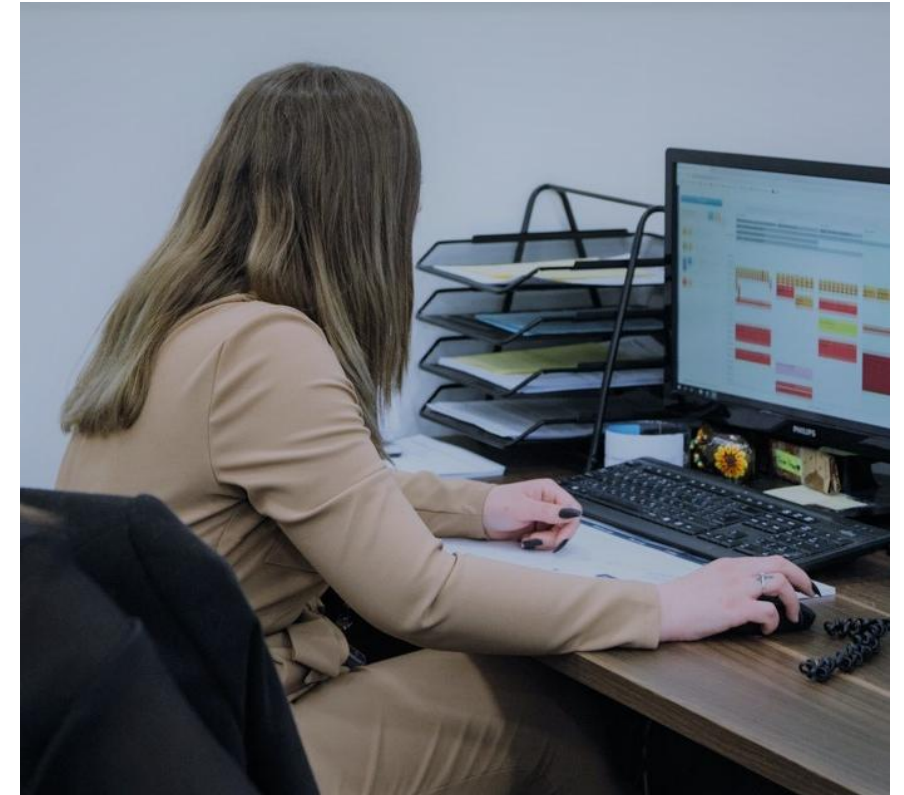
# Duties of the Parish Treasurer

## AUTHORITY AND DELEGATIONS



The employment and payment of staff is highly regulated in Australia. Staff are not to be engaged or paid other than through the Diocesan office.

Periodically parishes will receive invoices from the Diocesan Office for such things as insurance and copyright licenses which are centrally managed for all parishes in the Diocese.





# Diocesan Assessments

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## OVERVIEW



Each parish contributes to the Diocese an assessment in accordance with the Parish Governance Statute. The assessment is to provide in part for the expenditure of Diocesan Council, for the expenses of the Synod, Provincial and General Synods, for such matters as may be authorised or required by statute, and for purposes incidental to any of the preceding matters.

- The Diocesan assessment is calculated at different rates depending on whether the income is considered Ordinary or Commercial Income in accordance the [Parish Governance Statute 2016](#)



# Diocesan Assessments

## ORDINARY INCOME



The Ordinary Income of a parish includes offertory, giving, donations, fetes, rental from rectories and op shop income.

- In the case of fetes, rental from rectories and op shop income, this is net of the related expenses.

Assessable Ordinary Income is determined after:

- A standard deduction of \$15,000; and
- Deductions for specific items of approved expenditure;
- Excluding specific types of income such as Diocesan grants.

Ordinary Income is assessed at 15%.



# Diocesan Assessments

## COMMERCIAL INCOME

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Commercial Income includes all rent and other income (net of operating expenses) from commercial properties (e.g., residential, industrial, office or retail) owned or held for the benefit of by the parish.

Commercial Income is assessed at 35%.



# 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.

# Diocesan Assessments

## ADVICE



### Resources on the Diocesan Website:

- [Finance Resources / Diocesan Assessments](#)

### Finance

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





# Goods and Services Tax (GST)

# Goods and Services Tax

## TAXABLE SUPPLIES



- Most goods and services supplied in Australia by a registered business will be taxable supplies. Certain Parish transactions, the most common of which are offerings, donations, proceeds of bequests, payment of stipends, wages, allowances, superannuation, and long service leave are not subject to GST.



# Goods and Services Tax

## SALES SUPPLIES



### Goods and Services Tax (GST) applies to all transactions unless exempt.

- The general rules, or starting point is that if a Parish receives income from any source, including barter transactions, it needs to consider whether the transaction is subject to GST.
- If the Parish should have charged GST in addition to the sales price, but did not, the Parish must still forward 1/11th of the funds received to the Australian Taxation Office (ATO). The liability remains with the Parish, even if it does not collect the GST.

# Goods and Services Tax

## INPUT CREDITS



### You can claim GST credits if:

- you intend to use your purchase solely or partly for your parish, and the purchase does not relate to making input-taxed supplies
- the purchase price included GST
- you provide or are liable to provide payment for the item you purchased
- you have a tax invoice from your supplier.

To claim the GST input tax credits on purchases of goods and services, it is essential that the suppliers provide a tax invoice except for purchases of not more than \$82.50.

A valid tax invoice for supplies for up to \$1,000 must contain certain features and above \$1,000 further information.



# Goods and Services Tax

## GST FREE SUPPLIES



GST-free supplies include basic food, exports, sewerage, water, drainage, most education, childcare, and health services.

Activities of churches that are GST-free include:

- religious services such as baptisms, weddings, and funerals;
- charitable activities provided for no cost;
- non-commercial supplies, which is those sold for less than 50 percent of the GST-inclusive market value of the item or less than 75 per cent of the cost of the supply;
- supplies of accommodation provided for less than 75 per cent of the market value of the accommodation or less than 75 per cent of the cost of providing the accommodation; or,
- sale of donated second-hand goods, for example by Opportunity Shops.



# Goods and Services Tax

## INPUT TAXED SUPPLIES



Input-taxed supplies include most financial supplies, most supplies of residential rent and residential premises. If supplies, you make are input taxed then:

- you do not charge GST on the supply, and
- you are not entitled to input tax credits for anything acquired to make the supply.

# Goods and Services Tax

## TRANSACTIONS BETWEEN MEMBERS OF A GST RELIGIOUS GROUP



**Transactions between members of the GST Religious Group will not be subject to GST.**

Transactions between members of the GST Religious Group will not be subject to GST.

For example, transactions between:

- a Parish and the Diocese;
- between Parishes; and
- between Parishes and Anglican entities within the Anglican Church of Australia

# Goods and Services Tax

## ADVICE



### Finance

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#### Resources on the Diocesan Website:

- [Finance Resources / GST](#)





# Government Authorities

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## AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION



**The Australian Charities and Not-for-Profit Commission (ACNC) requires that all registered charities provide reports each year.**

The ACNC requires that all registered charities provide reports each year. The reporting requirements depend on the size and activities of each charity. Parishes in the Diocese have been registered as Basic Religious Charities.

The Diocesan Office gathers the necessary information required to lodge the Annual Information Statement in the Annual Financial Return provided by each Parish. This information is aggregated and lodged in bulk with the ACNC for each reporting period by the Diocesan Office on behalf of the Diocese.



# Government Authorities

## ATO



To access the ATO website Parish Treasurers will need to be provided with access via to governments Relationship Authorisation Management system.

- To access the RAM system, Parish Treasurers will need to have a MyID available.
- If you do not have a MyID the Finance Team can help you through the process.



# Government Authorities

ATO

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## Income Tax Exempt Charitable Organisations.

- The Anglican Diocese of Perth and each Parish are eligible to be exempt from income tax.
- Each Parish will have applied to the ATO and received an endorsement for income tax charitable entity (ITEC).
- To maintain its income tax charitable status the parish will need to be registered as a charity with the ACNC.



# Government Authorities

## ADVICE



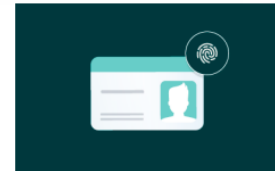
## 3-Steps to Online Lodgement

### Resources on the Diocesan Website:

- [Finance Resources / ATO Portal](#)



1. Establish your ID on the myGovID app



2. Authorise person through RAM



3. Login in to ATO Portal



# Diocesan Office

# Diocesan Office

## ADMINISTRATIVE SERVICES AND SUPPORT TO THE PARISHES

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

These services include:

- 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,
- Support related to tax and ACNC matters, including lodgment of ACNC annual returns for all parishes.

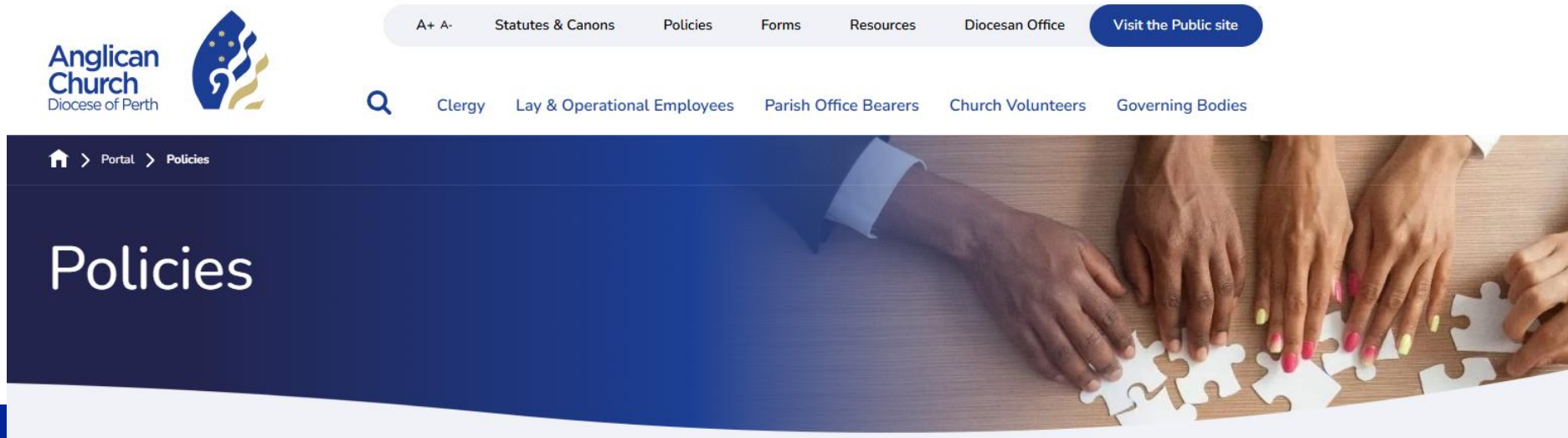
# Diocesan Office

## STATUTES AND POLICIES



Parish Treasurers should be familiar with following:

- [The Parish Governance Statute](#)
- [Policy 3 - Non-assessable Donations for Capital Works Projects](#)
- [Policy 4 - Planned Intervention for Worshipping Communities with Financial Arrears](#)
- [Policy 23 - PDT Delegation of Authority and Authority Limits](#)



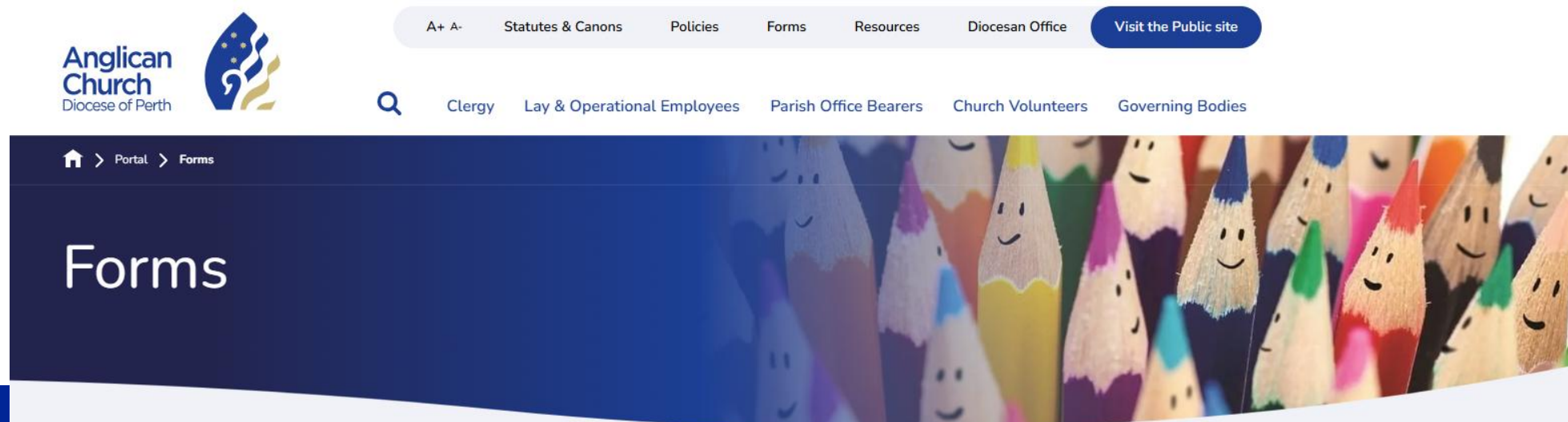
# Diocesan Office

## FORMS



Parish Treasurers should be familiar with following:

- [Annual Financial Returns Forms](#)
- [Selection of An Independent Examiner](#)
- [Guidelines for Independent Examiners](#)
- [Finance - Declaration of Beneficial Owner Land Tax Exemption](#)
- [Finance - Application for Exemption from Assessment for Donations for Capital Works Projects](#)



# Diocesan Office

## DIOCESAN WEBSITE RESOURCES



### Resources on the Diocesan Website:

- [Financial Resources / Parish Treasurer](#)
- [Financial Resources / Parish Funds](#)
- [Financial Resources / Records and reporting](#)
- [Financial Resources / Budgets](#)
- [Financial Resources / Internal Controls](#)
- [Financial Resources / Receipts](#)
- [Financial Resources / Payments](#)

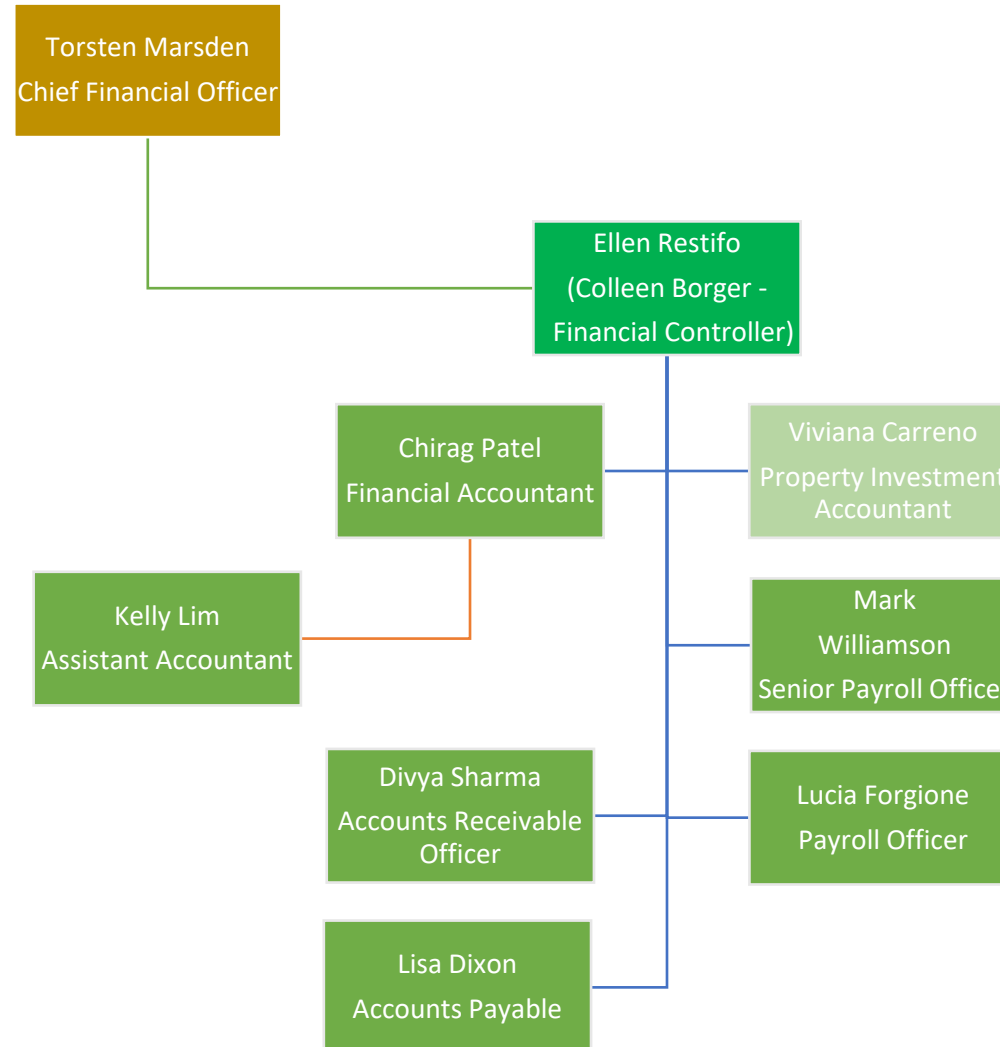
### Finance

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# Diocesan Finance Team

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# Diocesan Office

## CONTACT INFORMATION

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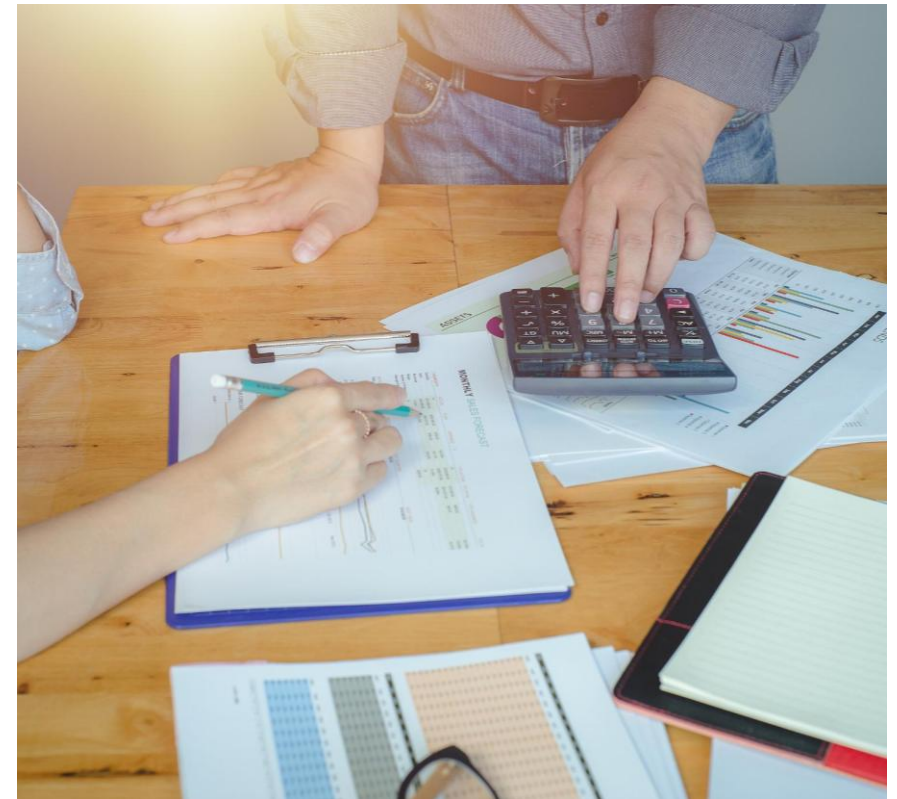


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# Open Panel Questions

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DENISE SATTERLY ROOM