



Presbyterian Church of Aotearoa New Zealand

FINANCE NEWSLETTER 184

TO: Parish Treasurers, Presbytery and Parish clerks
FROM: Brendan Sweeney, Manager, Financial Services
DATE: 30 June 2016

1.	Support for Tier 3 and 4 financial reporting due Dec 2016
2.	Health and Safety certificates
3.	Power price offer extended to church staff and Volunteers

1. Support for Tier 3 and 4 financial reporting due Dec 2016

Most churches have a 30 June balance date, and are required to post financial reports to the new accounting standards on the charities register by 30 December this year. Under the new standards, churches will fall into either Tier 3 or Tier 4 Public Benefit Entity reporting standards which are detailed from page 12 of the Presbyterian Church Management Support Guide.

We have had almost 100% uptake from churches in charities registration and about 65% of churches have posted 2015 accounts on the register. This is pleasing but I'm aware some churches will require assistance in the preparation and posting of 2016 accounts in the new format.

I would like to reiterate that the implementation of these standards should not be as daunting to churches as it may seem. If you refer to the non-financial information forms in the appendix, you will note the requirements are mostly straight forward and not very different to disclosures required in the PCANZ membership statistics. However these, and the financial reports are different to what churches are currently doing and there are new disclosures required. Accordingly this office is working on some initiatives that may assist churches over the next few months:

a) Improved templates for non financial reporting.

All churches will be required to report non-financial information:

- Entity Information
- Statement of Service Performance

You may recall the spreadsheet templates of these reports that were introduced at last years workshops. I have modified the templates with the expanded explanatory notes and suggested responses. These are appended and the spreadsheet versions, posted on the treasurers page of the PCANZ website can be accessed here:

Tier 3 and 4 Non financial data.

b) Financial Report Templates

You may also recall that the financial reporting requirements differ between Tier 3 and 4 entities. The templates for these reports have been reformatted (although notes and examples have not yet been updated) and can be accessed here:

Tier 3 finance report template for churches

- Statement of Financial performance
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Accounting Policies
- Notes to Financial Statements

Tier 4 finance report template for churches

- Statement of Receipts and Payments
- Statement of Resources and Commitments
- Notes to the Financial Statement

c) Automation of Reporting in Xero

Churches who use Xero accounting software may be interested that Xero have written reports that automate financial reporting to Tier 3 and 4 standards. I am currently working with Laurensons Chartered Accountants in adapting these reports for use by Presbyterian churches (by grouping the Xero for Parishes chart of accounts). These reports will be written and tested over the next few days and I will release them as soon as possible.

d) Direct Support

I have been in contact with Laurensons as well as our friends at the Baptist and Methodist churches with a view to coordinating efforts to support churches with further workshops, helpdesk facilities and webinars to guide treasurers and others over the next six months or so. I will keep churches updated as these plans proceed.

2. Health and Safety workshop certificates

My apologies for the delay in sending out certificates of attendance to people who attended the recent Health and Safety in Churches workshops around the country. The delay is due to the addition of several workshops to the roadshow.

Of the total of some 2400 attendees, about 600 were representatives of Presbyterian Churches. These people will have certificates issued by email from this office in the next few days, and have their registration fee of \$25 per person underwritten by PCANZ. Please remember this office can offer specific advice on the establishment of Health and Safety plans and policies in presbyterian churches. Please contact margaretf@presbyterian.org.nz.

In addition to Church health and safety workshop templates listed on the Interchurch Bureau website www.nzicb.org, an further guidance for churches has been published (including text in Samoan and Tongan), by the Methodist representative to the ICB. The document can be accessed [here](#).

3. Power price offer extended to church staff and Volunteers

Further to the update in the power cost offer to churches in the May newsletter, I have been advised by the people at Nice 1 that

the deadline for responding to power savings offers has been extended and responses can be accepted in the next couple of weeks. Nice 1 report that about 100 of the 175 churches offered competitive pricing have responded to the offer.

The offer of obtaining power pricing options has been extended to include individuals working within a church. This includes all ministry, mission and administration employees and volunteers. Please refer to the communication from Nice 1 in the appendix 3 for detail on the process and a link to the power usage survey.

Appendix 1. Template: Tier 3 and 4 non-financial information.

1) Entity Information

"Who are we?" and "why do we exist"

<u>Section</u>	<u>Example</u>	<u>Note</u>
Legal Name of Entity	St Fred's Presbyterian Church	<i>The name of the Church as it appears on the Charities Register</i>
Other name of Entity		<i>Optional</i>
Type of Entity and Legal Basis	The entity is a church, established under the Presbyterian Church Property Trustees Act 1865. The rules of the church are detailed in the Presbyterian Church of Aotearoa New Zealand Book of Order. The entity is a registered charity in New Zealand.	<i>The legal basis of the church (not a trust or a society)</i>
Registration Number	CC 12345	<i>Charities Services Registration Number</i>
Entity's Purpose or Mission	The church believes it is called by God to work with others in making Jesus Christ known through: Teaching and nurturing people in Christian faith Loving service responding to human need Proclaiming the gospel Seeking to transform society Caring for God's creation	<i>If the church has a mission statement, insert it here. The example has been lifted from the PCANZ mission statement</i>
Entity Structure	The church is one of 273 churches affiliated to the Presbyterian Church of Aotearoa New Zealand (PCANZ). It is guided by the provisions of the PCANZ Book of Order, however the church is autonomous and governance is the responsibility of a church council, which is elected by members. The church entity incorporates the following associated Trusts and entities (list).	<i>Overview of the structure and leadership of the church. Ensure any associated trusts or entities are noted.</i>
Main Methods Used by the Entity to Raise Funds	- Fundraising (describe) - Donations and offerings - Investment income - Income from services and activities (describe)	<i>Describe income activities, but do not quantify.</i>
Entities Reliance on Volunteers and Donated Goods or Services	The church relies on volunteer's time and expertise to fulfil its mission activities (children and youth work and community support); governance (the church council is a volunteer committee), administration (treasurer and session clerk) as well as many pastoral assistance roles.	<i>Reliance on volunteers should be described but volunteer numbers and time does not have to be quantified.</i>
Additional Information		<i>Optional. Insert any additional information that the readers should require to understand of the church entity</i>

Contact Details

Physical Address	
Postal Address	
Phone/Fax	
Email / Website	
Facebook	
Twitter	

Enter as appropriate

2 Statement of Service Performance

"What did we do?" and "When did we do it?"

<u>Section</u>	<u>Example</u>	<u>Note</u>																																							
Description of the Entities Outcomes	As reported in the Entity Information section, the mission of St Fred's Presbyterian Church as to provide pastoral guidance and community support to its members and others in the (central Wellington) community. In order to achieve this objective the church offers three weekly services to congregational members, although all members of the public are welcome to attend. In addition the church runs a weekly mainly music event which is aimed at children up to the age of 6, and a weekly bible class aimed at youth in the 13-17 year age group. The church supports local and overseas mission activities by way of fundraising for projects and offering the gift of pastoral care.	<i>Outcomes are what the church is seeking to achieve in terms of its impact on Society. Refer to the mission statement. Describe (but do not quantify) church activities.</i>																																							
Description and Quantification of the Entities Outputs	<table border="1"> <thead> <tr> <th>Numbers at balance date:</th> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Number of church members on the role:</td> <td>75</td> <td>70</td> </tr> <tr> <td>Number of associate members</td> <td>125</td> <td>115</td> </tr> <tr> <td>Children in mainly music class</td> <td>12</td> <td>15</td> </tr> <tr> <td>Youth in Bible Class</td> <td>6</td> <td>8</td> </tr> <tr> <td>Ministry staff (full time unit)</td> <td>1</td> <td>1</td> </tr> <tr> <td>Non-ordained employees</td> <td>3</td> <td>3</td> </tr> <tr> <td>Volunteers</td> <td>12</td> <td>12</td> </tr> <tr> <td colspan="3">Activities in the year to balance date</td> </tr> <tr> <td>Number of services</td> <td>156</td> <td>156</td> </tr> <tr> <td>Number of baptisms</td> <td>1</td> <td>2</td> </tr> <tr> <td>Number of weddings</td> <td>2</td> <td>-</td> </tr> <tr> <td>Number of funerals</td> <td>-</td> <td>1</td> </tr> </tbody> </table>	Numbers at balance date:	2016	2015	Number of church members on the role:	75	70	Number of associate members	125	115	Children in mainly music class	12	15	Youth in Bible Class	6	8	Ministry staff (full time unit)	1	1	Non-ordained employees	3	3	Volunteers	12	12	Activities in the year to balance date			Number of services	156	156	Number of baptisms	1	2	Number of weddings	2	-	Number of funerals	-	1	<i>Note: Outputs are the goods and services that the entity delivered during the year.</i>
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Additional Output Measures	The church controls two non-profit entities that are operated as Trusts: Op shop (Turnover \$8,000 to balance date) and a kindergarten (Turnover \$6,000 to balance date). Income and expenditure of these trusts is consolidated in the financial report.	<i>Optional. Include any additional output measures that are relevant to the user's understanding of what the entity did during the financial year.</i>																																							
Additional Information	The Mainly Music activity was established during the year	<i>Optional. Include an explanation of the increase or decrease in outcomes compared with the previous year using factors within and outside the church's control.</i>																																							

Appendix 2: Communication from Nice 1 re extension of church power survey offer to all church staff.

Power and Gas offer for the staff at Presbyterian Churches

Presbyterian Churches of New Zealand recently undertook a tender process involving all the churches in our community. The results were impressive and we now invite you to be a part of the same process for the staff of Presbyterian Churches.

The Nice1 approach is unique in that they will tender your account to the main selected retailers (Meridian Energy, Contact Energy and Trust Power) and present you with the best deal.

The process is simple and takes about 10 minutes of your time.

- 1. Fill in the online questionnaire. [Click here for the online survey](#)*
- 2. Send Nice1 a full copy of your latest power bill. We need the entire bill, both sides, end to end, to be emailed to:*
 - Fax: (09) 302 3332*
 - Email: PresbyterianChurches@nice1.co.nz*
 - Post: PO Box 91028, Victoria Street West, Auckland 1142*
- 3. Nice1 will come back to you in 2-3 weeks with an offer.*
- 4. If you accept the offer, Nice1 / the chosen power company does the rest.*

Things to know:

- By presenting your bill and completing the survey does not commit you to changing.*
- If you are in a current agreement with a power retailer any cancellation fees are at your cost.*
- Agreements with Nice1 retailers will run for two years. Prior to the renewal of your agreement, we will retender you business to ensure you are still on the best deal, unless you don't want us to.*
- Yes, you can forward this to your family and friends if you wish.*

Thank you!

the Nice1 team