



Presbyterian Church of Australia
in the State of New South Wales

Financial Return for the Year Ended 31 December 2016

“F”

To be completed by
The Treasurer

PASTORAL
CHARGE

PRESBYTERY

Contacts:

Contacts at Church Offices for information or assistance are:

Steve Smith	(02) 9690 9302
Fergus Tang	(02) 9690 9308

RETURN ORIGINAL TO: The General Manager
Church Offices
Presbyterian Church (NSW) Property Trust
PO Box 2196
Strawberry Hills NSW 2012

Please provide a finalised and signed copy as soon as possible to:

- Clerk of Presbytery
- Session Clerk

but no later than 30 April 2017

Annual Return Form F

CHECKLIST

RETURNS

Date Due

Ordinary Account	30 April 2017
Trust and Capital Funds	30 April 2017
Statement of External Loans and Deposits	30 April 2017
Auditor's Statement	30 April 2017
Superannuation Return – Ministers	Handled Separately

PAYMENTS

Date Due

<u>Long Service Leave Assessment</u>	30 Sept. 2017 (Billed separately from Ministry and Mission)
<u>Combined Assessment</u>	
4 Instalments	April, June, September, November

D1.08 Payment of Assessments. All pastoral charges and home mission stations shall pay the combined value of all annual assessments in four equal quarterly instalments by 30 April, 30 June, 30 September and 30 November each year or as otherwise agreed by the Trustees. A fee of \$80 shall apply to any payment received after the due date, which fee shall be credited to the pool of available MDP funds. If a congregation fails to lodge a Financial Return, assessments shall be calculated on an assumed ordinary income 10% higher than the year preceding that for which the Financial Return was not lodged.

COMBINED ASSESSMENT REMITTANCES

Note payment of remittance advised will be issued with the invoice, after receipt of the congregation's Form F.

ORDINARY ACCOUNT

(Income & Expenses for day-to-day Operations)

INCOME	2016 \$ Actual (no cents)
Freewill offerings	
Bequests received for General Purposes (bequests less than \$10,000). <i>Refer to page 5 for more details.</i>	
Interest received into your bank accounts (inc. Trustee Investment Fund and Presbyterian Foundation) <i>(See page 5)</i>	
Subsidies/Grants received	
Net Rental Income (rent less expenses of rental property) – see note on rental income.	
Other Income (eg. Fund Raisers, Fetes, Donations Received, use of Hall and Wedding fees)	
If designated a Church plant by Ministry and Mission and less than 5 years old – Deduct income obtained from grants (or other direct financial support) from other congregations or church committees.	
Total Ordinary Income = (Basis for assessment) “A”	\$
EXPENDITURE	
Ministry Staff Costs (see page 6 for definition): Consists of inducted/appointed ministers, commissioned deaconesses, and appointed home missionaries, whether full-time or part-time. Include all employment ‘on costs’, including non-cash benefits, allowances, travel, superannuation, long service leave, etc.	
Pastoral Assistant Costs (see page 6 for definition): Consists of staff who are ‘engaged to perform primarily pastoral functions in a pastoral charge or a home mission station’ (as defined in Code 5.39), whether full-time or part-time. Include all employment ‘on costs’, including non-cash benefits, allowances, travel, superannuation, long service leave, etc.	
All other paid Staff (see page 6 for definition): Consists of staff who are not included in the above two categories, whether full-time or part-time. Include all employment ‘on costs’, including non-cash benefits, allowances, travel, superannuation, long service leave, etc.	
Combined Assessment (previous year)	
Other Missions	
Property Expenses (incl. utilities, maintenance, rent, insurance, etc.)	
Congregational Expenses (day-to-day costs incl. phone, printing, postage and outreach)	
Capital Expenditure (eg. computer equipment, furniture over \$1,000)	
Loan Payments (interest and principal)	
Other Expenses (i.e. Presbytery Assessments)	
Total Expenditure “B”	\$
SURPLUS/DEFICIENCY for the year “A” – “B”	\$
SUPPLEMENTARY INFORMATION	
Manse Allowances included above (see page 6 for definition)	

Refer to pages 5 – 6 for definitions

TRUST FUNDS HANDLED

List receipts of all trust monies, special collections and specific donations paid/to be paid to outside organisations.

Purpose / Source	Received	Paid
TEAR Australia		
Meal for Mission		
Support of Mission Personnel		
Other		

CAPITAL FUND CONTRIBUTIONS

List capital amounts received from sale of assets, bequests, gifts and expenditure of amounts received or held (include building fund donations here.)

Purpose / Source	Received	Paid
Building Fund:		
Other:		

Refer to pages 5 – 6 for definitions

STATEMENT of LOANS & DEPOSITS

Description	Balance as at 31.12.2016	Balance as at 31.12.2015	Name of Bank, Branch BSB and Account No.
DEPOSITS AND INVESTMENTS HELD BY THE PASTORAL CHARGE			
<u>Bank Accounts</u> (inc. ALL Accounts)			
<u>Term Deposits</u>			
Funds held by Property Trust (Refer "current account cash with Trustees" on Monthly Balance Report).			
<u>Other Investments - Not held by The Property Trust</u>			
LOANS TO THE CONGREGATION	Balance as at 31.12.2016	Balance as at 31.12.2015	Name of Lender, Bank or Other Party.
<u>Bank loans and mortgages</u>			
<u>Other loans</u> between congregations or from members including Faith Loans. (see page 6)			
<u>Contract Liabilities (non-property related) exceeding \$75,000</u>			

Signed (Treasurer)	Date

Refer to pages 5 - 6 for definitions

AUDITOR'S CHECKLIST (to be completed by the Auditor/s)

I/We * advise that:-

(* Please tick as appropriate)

1.	The records of all offerings are initialled by two people.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
2.	All offerings recorded are deposited intact.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
3.	All offerings are deposited promptly to the Bank account.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4.	The Minute Book of the Committee of Management evidences:				
	(a) Authority for payment of all outgoings.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
	(b) Presentation of bank statements at meetings.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
5.	(a) All Assessments and insurances due have been paid.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
	(b) Superannuation Guarantee Contributions for non-ministerial staff have been paid before each quarterly deadline.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	The accounts of other Pastoral Charges or organisations have been audited.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	Form F has been verified to source records.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
8.	All Trust Funds, PAYG and GST received have been remitted to the appropriate third party.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
9.	Receipts / Payments correctly recorded	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
10.	BAS Statements lodged.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

AUDITOR'S REPORT

As Auditor/s of the accounts of the Committee of Management, I/We* advise that:-

1. I/We* have examined the financial records of the Committee of Management including the vouchers and bank statements.
2. I/We* have **reviewed** the financial statements of this Financial Return (FORM F) and no matter has come to our attention that is a material error.
3. Attach other items to report including any comments on "no" responses in checklist above.

Signed

Signed

Name:

Name:

Qualifications:

Qualifications:

Contact:

Contact:

Date

 / /

Date

 / /

DEFINITIONS – FORM F

ORDINARY ACCOUNT

Congregations within the Pastoral Charge: The Code states that where there is more than one Congregation in a Pastoral Charge it may be deemed advisable to have managers for each separate congregation to deal with local matters; but a joint meeting of the committees will deal with all matters affecting the Pastoral Charge or home mission station as a whole.

Congregations within a Pastoral Charge or Home Mission Station may decide to administer their temporal affairs by a single committee of management provided that separate financial records are maintained for each congregation.

It would be preferred if one consolidated Form "F" were to cover all congregations within the Pastoral Charge. In exceptional cases where a consolidated return cannot easily be prepared individual returns may be submitted.

Ordinary Account: The General Assembly has instructed congregations to record in the ordinary account all funds contributed in congregations towards ordinary expenses, and Assessments. If organisations within a congregation or individuals contribute money to the committee of management for general purposes or to assist towards payment of the stipend, or towards the payment of assessments these amounts must be included in the ordinary account, under "Donations Received".

Bequests Received for General Purposes: include here Bequests received for general purposes with a value less than \$10,000. Do not include bequests here that are either for specific purposes or have a value of at least \$10,000, or both.

Interest Received: includes interest from deposits in the Trustee's Investment Fund and Presbyterian Foundation where these are paid to the Pastoral Charge by cheque or direct credit to the Pastoral Charge Bank account. This does not include accumulated interest in the Trustee Investment Fund or Presbyterian Foundation.

Rental Income: relates to receipts from investment or income producing properties. Net rental income is calculated after deducting expenses such as utilities, rates, land tax, maintenance and insurance incurred on those income earning properties. Should a Minister or Home Missionary choose to live in his/her own house and the manse is rented out, the manse allowance may be deducted in determining net rental income (instead of being included under the Expenditure Category "Pastoral Staff"). Manse Allowance must not make the net rental income a deficit or negative amount, any deficit should be shown in staff costs.

Subsidies/Grants: include subsidies and grants from the Ministry and Mission Committee, and local and state governments.

Other Income: any other Ordinary Income which does not fit into any of the above categories, e.g. fund raising, fetes, donations received, payments received for use of church hall, weddings, etc.

Reimbursements (including insurance claims): if a request is made to Church Offices for reimbursement of expenditure from your Pastoral Charge funds held at Church Offices, do not show the reimbursement as income but as a credit against the expense. This also applies to Long Service Leave and Insurance reimbursements.

Ministry Staff Costs: Consists of inducted/appointed ministers, commissioned deaconesses, and appointed home missionaries, whether full-time or part-time. Include all employment 'on costs', including non-cash benefits, allowances, travel, superannuation, long service leave, etc.

Pastoral Assistant Costs: Consists of staff who are 'engaged to perform primarily pastoral functions in a pastoral charge or a home mission station' (as defined in Code 5.39), whether full-time or part-time. Include all employment 'on costs', including non-cash benefits, allowances, travel, superannuation, long service leave, etc.

All other paid Staff: Consists of staff who are not included in the above two categories, whether full-time or part-time. Include all employment 'on costs', including non-cash benefits, allowances, travel, superannuation, long service leave, etc.

Assessments Paid: these are to be split by Long Service Leave and the combined Assessments.

Property Expenses: includes expenditure on the upkeep, insurance and maintenance of all properties such as church, hall, manse, but not for income producing property where rental income is received. If you rent properties from someone else, include the rent payments here.

Congregational Expenses: includes all expenditure relating to the day to day running of the Pastoral Charge such as office expenses, telephone, printing, postage, outreach, public liability (broad form) insurance, worker's compensation, but excluding property expenses.

Capital Expenditure: includes payments for equipment and assets with a useful life extending past one year, and value over \$1,000.

Other Expenses: includes Presbytery Assessments (if applicable) and professional fees.

Supplementary Information – Manse Allowances: Record the total of all manse allowances here.

TRUST and CAPITAL FUNDS

Trust Funds Handled: Trust funds are taken up in most congregations by means of special collections for specific purposes. Those funds should be recorded under the heading "Trust Funds Handled" and should be forwarded direct to the committees or organisations concerned. GST receipts and payments should be included here.

Capital Funds – Contributions: include items of a capital nature such as the proceeds from sale of property. Also include any bequest here that is either for a specific purpose or has a value of at least \$10,000, or both. Building Fund receipts and payments should be included.

STATEMENT of LOANS and DEPOSITS

Deposits and Investments: include all bank balances of all local organisations (PWA, Sunday School, Youth Group, etc). Include all other investments and term deposits in the relevant category. Include balances held in the Trustees Investment Fund or Presbyterian Foundation (as advised to your Treasurer on a monthly basis by Church Offices) under the section Funds held by Property Trust.

Loans from Banks and Other Sources: include all loans from Banks and other sources in the relevant category.

Faith Loans: money lent by members of the Church to the particular congregation.

COMBINED ASSESSMENT

The combined assessment is based on ordinary income.

1. Assessments are combined to provide funding for:
 - a. Assembly Fund
 - b. Child Protocol Unit
 - c. Ministry Development Program (MDP)
2. The total assessment will be \$465 for the first \$50,000 of ordinary income and 7.7% on the income over \$50,000, the components are:
 - a. Assembly Fund \$150 plus 1.8% on income over \$50,000.
 - b. Child Protocol Unit \$75 plus 0.9% on income over \$50,000.
 - c. MDP \$240 plus 5.0% on income over \$50,000.
3. Once the Form F is received by Church Offices for the financial year ended 31st December 2015 an invoice will be generated and forwarded to the congregation.
4. Congregations may pay by instalments:
 - a. Four instalments by April 30th, June 30th August 31st and November 30th.
5. A late fee of \$80 may be payable if no assessment is received by 30th September.
6. Exemptions from the assessment applies only to:
 - a. Home Mission Stations who do not commission an elder to Assembly. (Assembly Fund component only.)
 - b. An approved request for relief from the Business Committee.
Applications for relief must be received by the Business Committee by March 31st, in the absence of exceptional circumstances, late applications will not be considered. Relief may be granted to Pastoral Charges where multiple ministerial appointments account for an unusually high proportion of ordinary income, where there is substantial manse allowances expenditure that is not offset against rental income, where the earning of some items of ordinary income necessarily requires significant expenditure or where significant amounts of ordinary income are being used to fund capital expenditure or the rental of facilities. Applications for relief will also be considered at any time from Pastoral Charges that are temporarily experiencing necessitous circumstances.
 - c. Relief payments will be reimbursed to the Pastoral Charge in July only after the Form F has been submitted and if assessment payments are up to date.
7. A combined assessment calculator to assist with calculations is available on the Presbyterian Church website www.pcns.org.au/index.php/code-administration-forms/assessment-calculator

OTHER ASSESSMENTS

LONG SERVICE LEAVE ASSESSMENT – PAYABLE BY 30 SEPTEMBER

Long Service Leave Assessment is the Contribution payable by each congregation to the Long Service Leave Fund for each Minister and Deaconess employed as at 1st July in the current year of assessment. The amount payable is 1.6% of the basic stipend (set by the Assembly) applicable as at 1st July in the current year. There are no proportionate reductions for fractional appointments.

Each congregation will receive an invoice after 1st July for the Assessment to be paid. Please do NOT pay an assessment without this invoice.

ASSESSMENT CALCULATOR for CONGREGATIONS

Click on the PCNSW website and you will find the calculator under the 'Resources' tab

<http://www.pcns.org.au/index.php/code-administration-forms/assessment-calculator>

Enter the Form-F total ordinary income for the pastoral charge here: \$

If you are a Home Mission Station AND are NOT commissioning an Elder to Assembly check box:

Then click this button to calculate combined assessment for the pastoral charge:

Assembly Fund Component: \$ (\$150 plus 1.8% of ordinary income over \$50,000)

CPU Component: \$ (\$75 plus 0.9% of ordinary income over \$50,000)

MDP Component: \$ (\$240 plus 5.0% of ordinary income over \$50,000)

Total Combined Assessment: \$

This may be paid by 4 equal quarterly instalments of \$ (Due 30 April, 30 June, 30 Sept. & 30 November.)

SAMPLE:

1. Pastoral Charge Ordinary Income \$45,000

Assembly Fund Component: \$ 150 (\$150 plus 1.8% of ordinary income over \$50,000)

CPU Component: \$ 75 (\$75 plus 0.9% of ordinary income over \$50,000)

MDP Component: \$ 240 (\$240 plus 5.0% of ordinary income over \$50,000)

Total Combined Assessment: \$ 465

This may be paid by 4 equal quarterly instalments of \$ **110** (Due 30 April, 30 June, 30 Sept. & 31 Dec.)

2. Pastoral Charge Ordinary Income \$100,000

Assembly Fund Component: \$ 1,050 (\$150 plus 1.8% of ordinary income over \$50,000)

CPU Component: \$ 525 (\$75 plus 0.9% of ordinary income over \$50,000)

MDP Component: \$ 2,740 (\$240 plus 5.0% of ordinary income over \$50,000)

Total Combined Assessment: \$ 4,315

This may be paid by 4 equal quarterly instalments of \$ **1079** (Due 30 April, 30 June, 30 Sept. & 31 Dec.)

3. Pastoral Charge Ordinary Income \$250,000

Assembly Fund Component: \$ 3,750 (\$150 plus 1.8% of ordinary income over \$50,000)

CPU Component: \$ 1,875 (\$75 plus 0.9% of ordinary income over \$50,000)

MDP Component: \$ 10,240 (\$240 plus 5.0% of ordinary income over \$50,000)

Total Combined Assessment: \$ 15,865

This may be paid by 4 equal quarterly instalments of \$ **3,966** (Due 30 April, 30 June, 30 Sept. & 31 Dec.)

AUDITOR / AUDIT REQUIREMENTS

The requirements of The Code Part II : 1.32 regarding congregational auditors are:-

1.32. Auditor. At the annual meeting one auditor being a member of the Institute of Chartered Accountants in Australia or of the Australian Society of Certified Practising Accountants or of the National Institute of Accountants is elected who, previous to next annual meeting, examines the treasurer's books, vouchers, securities and other records and reports thereon. If no such accountant be available then two auditors shall be elected. If an auditor for any reason is unable to act the committee of management appoints another in his place. No elder or manager may serve as auditor of the accounts of the committee of management of which he is a member, but a member of a joint committee of management may serve as auditor of the accounts of a congregation other than his own. Provided that in no case shall a business partner or member of the family of the treasurer of the committee of management, act as an auditor to the said committee. With the concurrence of the elected auditor the accounts of any congregational organisation may be audited independently. They must be submitted to the congregational auditor for approval. Notice in writing on the prescribed form duly signed by the session clerk setting out the name, address and qualifications of the auditor with certification that he is not disqualified from acting in terms of the previous paragraph shall be sent to the Trustees who shall determine from time to time a form of report to be made by auditors appointed under this rule.

The Treasurer should sign all copies of the Financial Return – Form F, before handing them to the auditor. The form of the report from congregational auditors determined by the Trustees is as set out on page 4 of the Financial Return – Form F. Financial Return – Form F, should be returned by the auditor/s (after having signed and completed the auditor/s Statement) to the Treasurer. **If there is only one auditor please ensure that qualifications are included.** Please also note that it will be satisfactory for a single qualified auditor to sign-off under the review engagement provisions of ASRE 2400 and 240S standards.

AUDITOR / GUIDELINES for CHURCH AUDITORS

1. RECONCILIATIONS

- (i) Check that the reconciled monthly balance is correctly carried forward as the opening balance of the following month throughout the year.
- (ii) Check outstanding cheques and/or deposits at the close of the Financial Year into the opening bank statement of the new Financial Year. See that all cheques have cleared.
- (iii) Sight all Bank Statements in continuity in respect of the Financial Year under review, and confirm monthly balances brought forward to each bank statement.

2. CONFIRMATION OF PAYMENTS

Verify all material payments to substantiate correctness of payment and that all accounts are addressed to the Church or some authorised officer of the Church. (Materiality will vary for individual churches).

3. MINUTE BOOK

Inspect the Minute Book to see that monthly accounts have been authorised for payment by the Committee of Management.

Confirm that the minutes are signed by the Chairman and countersigned by the Secretary. Note that monthly bank statements have been tabled with the Treasurer's monthly report.

4. OFFERINGS

Inspect records of all offerings to see that they have been initialled by two (2) people. Check that all offerings recorded are deposited intact promptly to the bank account.

5. PAYMENTS Ascertain that all Assessments and Insurances have been paid.

A Helpful reminder for Treasurers

Relevant sections of The Code are re-produced below to remind Treasurers about some of their core duties.

The Code: Part II

- 2.12. **Treasurer.** The committee elects a treasurer annually. The treasurer receives and accounts for all moneys under the care of the committee of management. A financial statement is submitted to the committee of management at least once a quarter.
- 2.17. **Finance.** All matters of finance in connection with any organisation of the congregation likely to affect the general revenue of the congregation have to be submitted to the committee of management for its approval.
- 2.18. **Banking.** All money received by the treasurer for the committee must be kept in a banking account identified as belonging to the congregation. It must not be placed in any private banking account. This rule applies to the funds of all organisations of a congregation.

All offerings recorded must be checked and initialled by two people.

- 2.19. **Cheques.** Cheques shall normally be signed by the treasurer and by one other member of the committee of management duly appointed to do so or by any two members of the committee of management so appointed. The bank statement or pass book shall be exhibited at each ordinary meeting of the committee. These procedures shall be followed by all the organisations of a congregation.
- 2.20. **Remittance of money.** It is the duty of the treasurer to remit promptly to the proper authority all regular presbytery and assembly assessments and other contributions and payments due from the congregation. The treasurer shall also ensure that contributions payable by or on behalf of the minister of the congregation for superannuation are paid to the Presbyterian Church Offices who then process the payments to the minister's superannuation fund.

**The Treasurer must sign ALL copies of the Financial Return – FORM F
before handing to the Auditor.**

