

MINISTRY ACCOUNTING

Policy and Procedure Manual

March 2021

Policy and procedure manual for Ministry Units transitioning to the Centralised Accounting services provided by Trust Management, using the Accredo software.

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INTRODUCTION

These Centralised Accounting procedures, policies and forms have been prepared for use by Ministry Units in the Anglican Diocese of Auckland. The procedures outline the minimum steps required to achieve a sufficient level of internal control. Your Ministry Unit may wish to adopt further controls to strengthen the internal control environment, such as implementing purchase order procedures, or additional payment approval steps, however such additional measures are optional and should be balanced against the benefits, competencies and resources.

These procedures should be read in conjunction with the Financial Regulations Statute and other statutes and canons applicable to the treasurer's role and financial management of Ministry Unit matters.

CENTRALISED ACCOUNTING

The procedures for the centralised Ministry Unit financial accounting provide for either the centralised collection, recording and processing of all financial information, or the local collection, recording and processing of all financial information.

Each Ministry Unit (including its treasurer and governing body) is responsible for such tasks and responsibilities as are necessary to achieve compliance with these procedures.

Confidentiality

Any confidential information disclosed by a Ministry Unit shall not be disclosed to any party (including any representative of the Diocese) without the prior written consent of the Ministry Unit concerned. Disclosure to any employee, contractor or agent acting either for the Ministry Accounting Service and/or the Diocese shall be deemed disclosure to the party for whom that employee, contractor or agent is acting and shall be on written terms of confidentiality not less strict than herein provided. All confidential information disclosed shall be used only for the purposes for which it is disclosed. All written materials containing confidential information shall be kept securely and then destroyed or returned at the direction of the Ministry Unit.

Indemnity

In the event of any financial loss being sustained by any Ministry Unit arising from any wrongful or grossly negligent act by staff members of the Ministry Accounting Service the Diocese hereby agrees to indemnify any Ministry Unit affected for the losses incurred thereby. The Ministry Unit shall notify the Diocese in writing of any event having any potential for any such loss forthwith upon the relevant events having been identified. All parties shall act co-operatively to minimize the amount of any loss so sustained.

Disputes

In the event of any issue arising between a Ministry Unit and a provider of the Ministry Accounting Service and/or the Diocese the parties shall seek to resolve the issue in good faith and shall meet promptly to seek to resolve the dispute as soon as practicable. In the event that the issue is unable to be resolved thereby the parties' dispute shall be written in a mutually agreed form. The dispute as so presented shall then be presented to a then current Diocesan Manager who will seek to resolve the matter in consideration with the Diocesan Council. The Diocesan Council shall provide a ruling on the issue promptly thereafter.

TRUST MANAGEMENT AND THE MINISTRY UNIT

With the Diocese accounting system a significant amount of accounting work is handled centrally by Trust Management Ltd (Trust Management), who operates the Accredo database system. The Ministry Unit's responsibility is to send valid and properly authorised data to Trust Management, who will then enter the data in the Accredo database for future processing.

Trust Management Responsibilities

Trust Management's responsibilities are:

1. The payment of properly authorised
 - a) invoices
 - b) imprest account reimbursements
 - c) cash donations
 - d) wages
 - e) expense claims.
2. Accounting for payments (including direct debits and automatic payments).
3. Accounting for banking details.
4. Completing bank reconciliations and balance sheet reconciliations.
5. Maintaining a payroll system.
6. Making Inland Revenue returns for GST and PAYE and ensuring proper cash settlements are made.
7. Producing yearly tax returns by donor for funds given.
8. Producing monthly accounts for the vestry (including budget comparisons).
9. Producing yearly accounts for the Annual General Meeting.
10. Producing the audit file, and liaison with Ministry Unit auditors.

Further details of Trust Management's responsibilities are included in the 'Terms of Participation for Centralised Administration of Ministry Unit Accounting'.

Ministry Unit Responsibilities

Local collection of financial information

The Ministry Unit must be granted Diocesan Council approval to follow the procedures for the local collection of financial information.

The Ministry Unit is responsible for:

1. Reporting
 - a) Providing income and expenditure statements, balance sheets and supporting reconciliations on a monthly basis.
 - b) Providing financial statements in the form of the chart of accounts utilised by Centralised Accounting on a quarterly basis.
 - c) Participating in quarterly meetings with Trust Management to review reports provided.
2. Audit
 - a) Providing all account information to the Diocesan auditors.

Ministry Units should read the 'Applications for Deferral of Entry into Centralised Accounting' for further details of their responsibilities.

Centralised collection of financial information

The Ministry Unit is responsible for:

1. The ordering of goods and services.
2. Authorisations of
 - a) invoices to be paid by Trust Management
 - b) direct debits and automatic payments
 - c) the top up of imprest accounts (petty cash and others)
 - d) cash donations
 - e) wages
 - f) expense claims.
3. The coding of all the above authorised documents including income in accordance with codes set up by Trust Management for use by the Accredo system.
4. Banking of offerings/givings and donations received.
5. The establishment of new automatic credits for regular giving.
6. Budgeting.
7. Monitoring of bank account balances.

The responsibility for all internal control procedures connected with Ministry Unit responsibilities lies with the Ministry Unit.

Ministry Units should read the 'Terms of Participation for Centralised Administration of Ministry Unit Accounting' for further details of their responsibilities.

PROCEDURES

LOCAL COLLECTION OF FINANCIAL INFORMATION

Reporting

Each month, the Ministry Unit should send Trust Management copies of their income and expenditure statements, balance sheets and supporting reconciliations. These are to be sent to Trust Management no later than the tenth of the succeeding month.

Each quarter, the Ministry Unit should also provide a set of financial statements in the format of the chart of accounts utilised by Centralised Accounting. Meetings between Trust Management and the Ministry Unit will be arranged each quarter to review the information provided to ensure it provides the detail needed for the consolidated reports and audit.

Audit

The audit of the Ministry Unit accounts will be done by the Diocesan auditors. The Ministry Units must provide full and complete account information to the auditors by the date advised by the Diocesan auditors.

CENTRALISED COLLECTION OF FINANCIAL INFORMATION

INCOME

Receipting - General

Whenever income is banked, the receipt number(s) for the amounts deposited in that banking should be written on the deposit slip. They will also be recorded in Accredo when that banking is entered. This will mean that all income can be tracked back through its banking to the receipt and so to where it has come from.

Coding

Income information that is provided to Trust Management should be coded using the codes set up by Trust Management. An income summary with coding should be provided to Trust Management on a weekly basis.

Offerings, Plate Takings and Giving

It is important that the procedure that is adopted for counting, recording and banking of cash is sufficiently stringent that both the Ministry Unit and those who handle the money are protected.

No-one wants to think that anyone involved in church activities would be dishonest, but it is important to leave no room for doubt.

You and everyone else involved in the counting and banking of the Ministry Unit's money must be protected from any allegation of improper conduct. That kind of charge is easy to make, and hard to disprove. It's far better to have a system that safeguards you.

The procedure for the collection and banking of offerings is as follows:

(1) The Collections Count Sheet is immediately counted by two people, one of whom should be a churchwarden or a vestry member, and the total of the cash is entered and countersigned by them on a Sunday Giving Sheet.

(2) The envelopes are opened by two people, and the amount included marked on the envelope.

This is most important for subsequent checking.

Do not rely on any amounts written on the envelope - they may not match what is inside it. The total cash from the envelopes should then be added up, and cross-checked against the total of the amounts marked on the envelopes. This cross-checking is important. The total from the envelopes is then entered on the Collections Count Sheet.

(3) If the envelopes are not opened until Monday, a list of the personal identifying numbers of the envelopes should be made immediately after the service. This not only safeguards the sides people and those who will do the counting later but it is also essential for an insurance claim if the whole collection should be stolen.

(4) The Collections Count Sheet, which shows the totals of cash collection and envelope-giving, should be scanned and emailed to Trust Management on the same day, even if the money is not be banked until the Monday, as an additional safety precaution in the event of theft.

(5) It is essential that there be adequate security for the money until it can be banked. It should not be kept in drawers or cupboards in the church - in most cases many people know where the keys are kept.

(6) Arrangements should be made to bank the collection on the first available banking day.

(7) A receipt should be made out for the total cash collection banked and the total envelope-giving banked. Individual receipts can be issued and sent to the donors by Trust Management on request.

(8) Most Ministry Units regard it as important that details of the envelope system remain confidential, so that as few people as possible know what any particular person gives. The treasurer may have the task of recording, or it may be assigned to someone else, sometimes known as the recorder. This role will in effect transfer to Trust Management, who will be responsible for recording the receipts for each envelope giver as well as the production of annual tax certificate. To set up a new envelope number please contact Trust Management.

Other Income

Comments relating to the counting and recording of Sunday collections can also apply to the handling of other giving, especially to the proceeds of fairs and other special fund-raising activities.

(1) Because there is always a lot of loose cash and notes to be counted, it is vital that there be adequate safeguards. Wherever possible, at least two people should be involved in the counting and recording; both should sign or initial the recorded totals.

(2) If you require a "float" (i.e. a sum of money to be used as change at a fair or fund-raising activity), this should be drawn from the imprest account, and the same amount should be

withdrawn from the total raised, and banked separately with a receipt issued. Otherwise difficulties with recording it in the accounts may come later.

(3) Other income (e.g. special donations, income from the use of halls or other property) can best be handled item by item, with a receipt issued in each case.

(4) If you receive a bequest, it is important that you get written confirmation from the solicitor concerned whether or not the bequest is for general purposes, and, if it is for some specific purpose, what exactly that is.

Income for Special Purposes

Where money is received for a special purpose (e.g. money given specifically for missions, or a grant received for a specific purpose), it is important that it be recorded as given for that particular purpose, and that it is paid out to the appropriate organisation as soon as possible. It needs to be remembered that such money does not belong to the Ministry Unit, and should not be held by the Ministry Unit for any longer than necessary.

It is also important to realise that money given for a specific purpose within the Ministry Unit (e.g. a rebuilding project, or maintenance) must be used for that purpose. Accurate recording is essential if the vestry is to carry out its legal responsibilities for such gifts. In all dealings with money given for a specific purpose, the vestry acts as trustee, whether or not a formal trust deed has been drawn up, and the responsibilities and obligations are not just a matter of church rules, but of statute law which is very strict.

Trust Management can assist with the tracking of such grants/monies, through the use of “Special Funds” codes. Each project/grant can be given a unique special code. Trust Management will assign special project codes on transition for existing projects/special funds; for any new projects which arise, contact Trust Management for a new special fund code.

When invoices are paid which relate to these funds, a special project code should be used, along with the special funds account code.

Invoices

Invoices should include the words “tax invoice” where the Ministry Unit is charging for its services (for example, the hire of the church hall) as well as the Ministry Unit’s GST number. It is best if Trust Management raise such invoices through the Accredo system, so that the debtors can be tracked to ensure payment is received.

Certificates for Tax Rebates and Receipts

Certificates for donors to attach to claims for rebates must clearly identify the recipient organisation. This must include the Diocesan Charities Commission number CC31449. Receipts should also include your GST number.

PAYMENTS

Invoice Approvals – Payments Process

Each Ministry Unit will complete a delegated authority approval form. This form tells Trust Management staff who in your Ministry Unit can authorise invoices for payment, and to what level.

Invoices can either be stamped and signed, or attached to a Payment Approval Sheet which is signed.

It may be that your Ministry Unit requires two signatories to approve all invoices before payment, in which case you can either have two people sign each invoice, or prepare a Payment Approval Sheet which summarises all the payments in the batch for approval.

For each invoice, you will need to code the invoice with an account code, an analysis code (where applicable), a special project code (where applicable), and whether GST is recoverable.

Once a batch of invoices has been authorised, these will be scanned and emailed to Trust Management as a batch. The email should copy both the Accountant in Charge and the Payables Clerk (in case one staff member is on leave).

Hardcopy records will be maintained and filed by the Ministry Unit for safekeeping. Trust Management will maintain copies of the scanned documents for tax and audit purposes.

Upon receipt of the electronic copy of approved invoices, Trust Management staff will review the GST coding, and check the invoices/payment approval sheet has been authorised in accordance with the Delegated Authority Form.

Trust Management staff will then enter the invoices into Accredo, prepare and upload a batch for payment via internet banking, and authorise the payment.

Once the payment has been authorised and released by the banking system, Trust Management staff will email your nominated person (administrator or treasurer) a schedule of the payments made, so that each Ministry Unit is aware of when the invoices were paid.

Invoices sent to Trust Management by the close of business on a Tuesday will be paid by the end of that week. Payments received after this time will be included in the following week's payments. Urgent payments can also be made on request.

Direct Debits

For the establishment of a new direct debit, approval should be sought from your vestry for the standing approval of the expenses to be paid by direct debit (such as power etc.).

The treasurer/administrator will then liaise with the supplier to receive the direct debit forms.

The forms should be completed as much as possible by the treasurer/administrator, and then forwarded to Trust Management to be signed by the authorised signatories to the bank account.

Where possible the banking references should include the account code, analysis code etc.

The direct debit form should be accompanied by the vestry minute approving the direct debit and a letter signed by two persons approved to authorise payments per your delegated authority form.

Once a direct debit has been established, and for those existing direct debits, it is important that the invoices continue to be reviewed and approved. Using telephone expenses as an example, whilst items such as line rental are to be expected, calls to international destinations are less so.

It is also a legal requirement that the invoices (signed off as having been reviewed) are forwarded to Trust Management for audit and tax purposes.

It is a good idea to send these invoices separately to those invoices which are for payment, with a note either in the title or body of the email stating the invoices are paid by direct debit, though Trust Management staff are used to receiving invoices paid by direct debit and the chances of an accidental payment are very rare.

Direct debits paid during the month will be reported to vestry as part of the monthly payments register. It is important that an annual review of all direct debits is undertaken to ensure the services are still being utilised by the Ministry Unit. Trust Management will assist with this review, by providing a schedule for vestry approval at a similar time to the production of the annual financial statements.

Automatic Payments

The process for the establishment of automatic payments is identical to the process for direct debits.

Automatic payments should not be used for processing payroll payments. The payroll system should be used for this purpose to ensure consolidated filing of PAYE, maintenance of annual earnings and recording of leave balances and entitlements.

Automatic payments made during the month will be reported to vestry as part of the monthly payments register. It is important that an annual review of all automatic payments is undertaken to ensure the services are still being utilised by the Ministry Unit. Trust Management will assist with this review, by providing a schedule for vestry approval at a similar time to the production of the annual financial statements.

Supplier Statements

Supplier statements should be forwarded to Trust Management upon receipt, unless the statement is showing a zero balance, in which case the statement can be disregarded.

Trust Management staff will reconcile the statement to the creditor records.

No authorisation or approval of the statement is required.

Vestry Approvals

On a monthly basis, Trust Management will provide vestry with a report of all payments made from the Ministry Unit bank account. The schedule will include the supplier, the description, and the amount. Although each payment will have been authorised, in line with the delegated authorities, vestry should receive and ratify the schedule of payments, raising queries where appropriate.

Imprest Accounts and Petty Cash

Imprest accounts are those where a specified amount of cash is retained for small and urgent payments. Once cash has been reduced to a minimum level, documents supporting expenses are submitted and the expenditure is reimbursed, bringing the cash on hand back to the specified amount.

Each Ministry Unit will be able to operate an imprest account with a float of an amount agreed by vestry. The imprest account should not be used as a default bank account. The imprest account signatories will be individuals nominated by the vestry/council. The imprest accounts will be one-to-sign so that cashflow cards can be used to access cash.

For petty cash reimbursements, a summary of expenses (which should include the total GST paid) should be submitted with the supporting documents to the above card holders, who then authorise the reimbursement and withdraw cash for this purpose. Cardholders must ensure that the supporting documents match the summary.

The Petty Cash Summary is then filed with the documents waiting for sending to Trust Management. At month end all summaries are consolidated on one statement and this summary with all supporting documents is sent to Trust Management. Trust Management will then reimburse the imprest account with the total shown on the summary and incorporate details in the Accredo database.

The petty cash system should be stored in a locked box, with ideally only one person responsible for the maintenance of the petty cash system (Petty Cash Officer "PCO"). The petty cash box should include a petty cash voucher book with sequential vouchers. When cash is required, a voucher should be completed by the PCO and signed by the person requesting the funds, along with the stated reason (e.g. groceries). Once the person has purchased the goods they should provide the PCO with the receipt. Once the receipt is provided, the voucher can be replaced with the receipt.

If the petty cash is a reimbursement for expenses already incurred, the voucher is not required as the receipt is already available.

At any time, the remaining cash, plus receipts, plus vouchers on issue should equal the float. At least annually the treasurer or another member of vestry (if the treasurer is the PCO) should reconcile the petty cash box in the manner described above. The reconciliation should be performed at a random time without advance notice.

PAYROLL

Payroll Approvals – Payroll Process

Ministry Units who decide to keep their payroll are responsible for filing the IR345 and IR348 and for forwarding instructions for the payment to Trust Management.

For Ministry Units whose payroll system will transfer to Trust Management, initial information will be provided to Trust Management to set up the payroll system. This information is outlined in the section below, with the addition of existing leave balances.

On the basis of this information a Payroll Processing – Pay Sheet will be prepared on a fortnightly or monthly basis. The Payroll Processing Pay Sheet details the number of hours worked (for those employees paid on an hourly rate), as well as the number of days sick leave and annual leave taken during the period.

The information provided on the Pay Sheet will be entered into the payroll system. The payroll system will generate a draft payrun, which will be reviewed by a Trust Management staff member independent of the staff member who entered the information into the payroll system. The reviewing staff member will then approve the payrun.

Employees will be paid directly, and the PAYE, student loan and Kiwisaver deductions will be paid directly to the IRD.

Pay slips will be emailed directly to the employees.

New Employees

For new employees, a Payroll Processing – New Employee Sheet will be completed and forwarded to Trust Management. The New Employee Sheet details the rate and basis of pay (i.e. salaried or hourly rate), Kiwisaver percentages, IRD number, Tax Code, bank account, leave entitlements etc.

It is good practise to forward a copy of the signed employment contract with the New Employee Sheet, so that Trust Management staff can review that the contract entitlements have been correctly recorded.

Trust Management staff will work with the treasurer to bring the employee into line with other staff in the regular pay cycle.

Departing Employees

For departing employees, the treasurer will notify Trust Management by email of the employee's notice of resignation and final work day as soon as possible.

Trust Management will then schedule and calculate a final pay to be processed on the employee's last day.

The treasurer should confirm on the final day that the employee has successfully worked through their notice period and the final pay should be released.

Employee Records

Treasurers should use the Payroll Processing – Leave Sheet to record any annual leave or sick leave. The leave sheets do not need to be sent to Trust Management, however they do need to be filed in a secure location for safe keeping, in case of future grievances. It may be more convenient to attach scanned copies of the leave sheets to the Pay Sheet for safe keeping by Trust Management.

Employee files should also be maintained which include the employment contract, documented changes to pay rates or leave entitlements, job descriptions, performance appraisals, etc. Due to the confidential nature of such documents they should be filed in a secure location for safe keeping. Again, it is recommended that scans of these documents are sent to Trust Management for safe keeping.

If at any time an employee wishes to know their leave balance, the administrator/treasurer can contact Trust Management or the employee can refer to their last pay slip.

Due to the quantum of employees across the Ministry Units, and difficulties in Trust Management staff verifying that the person making an enquiry is in fact the person they purport to be, all communications with Trust Management should be via the Ministry Unit administrator/treasurer.

REPORTING/BUDGETS

Standard Monthly Reports to Vestry

The following reports will be provided to vestry on a monthly basis as standard:

- a) A profit and loss report, with actual vs budget.
- b) A balance sheet report.
- c) A schedule of special funds, with any movements in or out.
- d) A schedule of payments made during the month.
- e) A summarised cashflow statement for the month.

A financial commentary will also accompany the accounts, which details how much cash is available for spending (bank balance and investment balances less special funds commitments), as well as providing financial highlights and analysis.

Ministry Units will be asked to provide the dates by when the information will be needed (i.e. the vestry meeting dates) so that Trust Management can deliver the reports within these timeframes. Generally Ministry Units can expect to receive their financial statements seven working days after providing the required information. However, the delivery of monthly reports will be dependent on Ministry Units providing the required information and source documentation in a timely manner, so if the information is provided late or there are outstanding questions the reports may not be able to be provided within the agreed timeframe.

Specialised Vestry Reporting

Some Ministry Units may require specialised reporting which Trust Management should be able to accommodate, such as reporting by analysis code. If Ministry Units have specialised reporting requirements, Trust Management should be advised as soon as possible so that structures can be put in place to enable the extraction of information for reporting.

Annual Reviews

On an annual basis the vestry should review the schedule of direct debits and automatic payments to ensure that these remain appropriate.

The vestry should also review the schedule of special funds. The vestry may consider whether the projects are continuing/remain valid, how the special funds could be utilised towards their purposes, etc. Special funds which accumulate over time and are not used towards the purpose to which they were provided for long periods could be viewed by current and future potential funders as wastage.

Budget

It is important too, that the vestry work out a budget for the year ahead. This means estimating what the various items of expenditure are likely to be and the expected income. If the budget shows a shortfall this must be addressed early. Having agreed on a budget, it is important to stick to it, and any variances are known and accepted/expected.

Trust Management can assist with the establishment of budget by reviewing the budgeted estimates against prior year actual costs for reasonableness.

Budget timing

The Ministry Unit's cash flow is the key concern for most treasurers, administrators and vestries. When budgets are reliable, they can be used to forecast future cashflows.

Many payments made by Ministry Units will be the same from month to month, however there will be one or two large accounts that come in only once in the year (such as the insurance invoice). When these items are known the budget can be "timed", that is rather than splitting the budgeted insurance expense evenly over twelve months, if we know it is due in May of each year, we can budget the full cost in that month and no cost in other months.

In this way, the budget becomes a better reflection of the likely cashflows in and out of the bank account. The budget can then be used, in conjunction with current bank balances, to forecast future cashflows.

It should also be noted that many "annual donations" may be received at about the same time each year. A fair may provide a significant boost to the bank balance in a given month. These variations to normally monthly income should also be "timed" in the budget.

If you are aware of the overall cash flow, you will be able to warn vestry to conserve the income earned in these "good" months to meet future "bad" months (such as when the insurance falls due).

Reliable cashflow forecasts can provide vestry and treasurers with much more comfort that the Ministry Unit will not be "caught short" of cash.

Property, Plant and Equipment

Capitalisation Threshold: for items acquired on or after 1st January 2021, the threshold is \$5,000.

When to record PPE: PPE shall be recorded at the date when the item is in the location and condition necessary for it to be capable of operating in the manner intended.

Acquisition cost: all costs directly attributable to bring the asset to the form and location suitable for its intended use, for example, invoice price and any added transportation and installation costs.

Donated asset: where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Costs

Parts of some items of property, plant and equipment may require replacement at regular intervals. For example, a ministry unit may need to upgrade the air-conditioning in its hall, a drive way may need resurfacing every few years, or church interiors such as seats and pews may require replacement. Items of property, plant and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle, the cost of replacing part of such an item, when that cost is incurred if the recognition criteria are met, shall be recognised in the carrying amount of an item of property, plant and equipment. The carrying amount of those parts that are replaced is derecognised.

The costs of the day-to-day servicing of the item are recognised in surplus or deficit as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables, and may include the cost of small parts. The purpose of these expenditures is often described as for the "repairs and maintenance" of the item of property, plant and equipment.

Depreciation and Impairment

Depreciation is calculated so as to write down the cost of property, plant and equipment, less any assigned residual value, on a straight-line basis over the expected useful economic lives of the assets concerned. Leasehold improvements are depreciated at the lesser of the period of the lease or 20%. Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- (a) On disposal; or
- (b) When no future economic benefits or service potential is expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognized.

ANNUAL FINANCIAL STATEMENTS AND AUDIT

Annual Financial Statements

Annual Financial Statements for the Ministry Unit will be prepared by Trust Management. In preparing the annual financial statements, Trust Management will seek certain information/confirmations from vestry regarding related party transactions, commitments, off-balance sheet transactions etc. Vestry will minute the response to Trust Management, and forward this response along with the resolution of vestry to Trust Management for inclusion in the annual financial statements.

The Annual Financial Statements prepared by Trust Management is a reflection of the consolidated group financial statement that is to be audited therefore shall be presented and approved at the Ministry Unit's Annual General Meeting.

Audit

Once all Ministry Units have centralised their accounting function, an audit of the consolidated financial statements will be conducted. When the audit of the consolidated accounts occurs, individual Ministry Units will not require separate audits/reviews.

BANKING

Signatories/Account Ownership

A requirement of the Diocese for the centralisation of the accounting function to Trust Management is that Trust Management staff will be added as signatories and be provided with account ownership.

In the future, signatories and account ownership could transfer from the Ministry Units to Trust Management.

This requirement is seeking to mitigate the risk of fraud across the Diocese with at present a large number of signatories with the ability to withdraw from Ministry Unit bank accounts to an unknown extent.

Trust Management staff are police vetted and all payments are subject to dual signatories. Further, Trust Management engages independent auditors to review our internal controls and compliance with our internal policies and procedures.

In most cases Ministry Units will not need to change their bank accounts.

Online access to view bank statements

Though Trust Management will become signatories to the Ministry Unit bank accounts, online access will be available to those administrators/treasurers who wish to download/view the bank statements.

TAX RETURNS

PAYE / Kiwisaver / Student Loans

Trust Management will prepare and file PAYE/Kiwisaver and Student Loan returns directly from the payroll system.

GST

Trust Management will prepare and file GST returns, using the Accredo system, on the basis of information received from Ministry Units (i.e. the invoices supplied for payment and details of deposits and bankings).

If an administrator/treasurer is unsure how to code an invoice, or whether GST is payable, the administrator/treasurer should contact Trust Management for advice on how to proceed.

GST is not claimable on expenses related to residential houses/vicarage, financial services (such as interest costs), mileage reimbursements, reimbursement of books etc. purchased and owned by the vicar.

WHT

Some Ministry Units may be required to return WHT on payments to certain suppliers, gardeners etc. Trust Management will work with the administrator/treasurer and supplier where this is the case, to clearly explain what the legal obligations are upon the Ministry Unit. Trust Management will file the WHT returns and make payments on behalf of the Ministry Units.

IRD Statements

All IRD statements should be forwarded to Trust Management, even if the statement is a zero statement, for reconciliation and record keeping purposes.

SAMPLE FORMS

Collections Count Sheet

Collections Count Sheet		
Parish _____		
Church _____		
Date _____		Service _____
Loose Collection		
Notes	Count	Value
\$100		
\$50		
\$20		
\$10		
\$5		
Coins		
\$2		
\$1		
50c		
20c		
10c		
Subtotal Cash - Loose Collections		[A]
Cheques		[B]
Envelopes		
Env No.	Cheque	Cash
Subtotal		[D]
		[E]
TOTAL CASH (ENVELOPES AND LOOSE)		[A+E]
TOTAL CHQ'S (ENVELOPES AND LOOSE)		[D+B]
SCAN SENT TO TRUST MANAGEMENT		
DATE BANKED (TO BE BANKED)		_____
Signed _____	Signed _____	
Print Name _____	Print Name _____	

Collections Count Sheet		
Parish _____		
Church _____		
Date _____		Service _____
Loose Collection		
Notes	Count	Value
\$100		
\$50		
\$20		
\$10		
\$5		
Coins		
\$2		
\$1		
50c		
20c		
10c		
Subtotal Cash - Loose Collections		[A]
Cheques		[B]
Envelopes		
Env No.	Cheque	Cash
Subtotal		[D]
		[E]
TOTAL CASH (ENVELOPES AND LOOSE)		[A+E]
TOTAL CHQ'S (ENVELOPES AND LOOSE)		[D+B]
SCAN SENT TO TRUST MANAGEMENT		
DATE BANKED (TO BE BANKED)		_____
Signed _____	Signed _____	
Print Name _____	Print Name _____	

Payroll Processing - Pay Sheet



Company Name Trust Investments Management Ltd														
Parish Name														
Period Ending Date 19/09/13														
Direct Credit Date 25/09/13														
Name	Standard Hours	Emp Code	Number of Taxable Weeks	Ordinary Hours Worked	Ordinary Pay - Extra Hours	Annual Leave Taken	Sick Leave Taken	Leave Without Pay Taken	Public Holiday Taken	Back Pay	Bonus - Discretionary	Division	CostCenter	Department
Timesheet Employees														
Joe Blogs		10001		10										
John Smith		10002		20										
Salary Employees														
Sally Anne	162.50	10003				7.5								
Totals			0	30	0	7.5	0	0	0	0	0			

Payroll Processing - New Employee Sheet

Company:		
New Employee Details		Pay Run Date: <input type="text"/>
The fields highlighted in orange are compulsory		
Employee Details	Surname	
	First Names	
	Employee Code	
	Known As	
	Gender	
	Date of Birth	
	Address (Street)	
	Address (Suburb)	
	Address (City)	
	Email Address	
	Phone Number	
	Occupation	
	IRD Number	
	Tax Code	
	Employee Pay Rate Option	
	Pay Rate	
	Bank Account Number	
	Region	
	Employee Pay Setup	
	Pay Point	01
Tenure	Start Date	
	Tenure Type	
Account Code	Account Code to allow wages (See Comment)	
Pay Group	Pay Frequency	
Employee Group (Indicate which one applies)	Standard hours per pay	
	Days worked per week if P/Time	
	Hours worked per week if P/Time	
	Hours worked per day if variable hrs	
Annual Leave Details (Indicate which one applies)	Standard Entitlement p.a. (in weeks)	
	Proportion of hours (if variable)	
	Accrue % of earnings (\$\$ only)	
	Pay % each pay	
Sick Leave Details (in hours)	Months before due	
	Entitlement p.a.	
	Max accrual	
Automatic Allowances	Allowance Name / Amount	
	Allowance Name / Amount	
	Allowance Name / Amount	
Automatic Deductions	Deduction Name / Amount	
	Deduction Name / Amount	
	Deduction Name / Amount	
KiwiSaver (for more information see kiwisaver.govt.co.nz)	KiwiSaver Option	
	Employee contribution %	%
	Employer contribution %	%
Other Bank Accounts	Bank A/C No./ Amount	
	Bank A/C No./ Amount	
	Bank A/C No./ Amount	
First Payment	Number of hours to pay	

Payroll Processing- Leave Sheet

Parish of _____

Application for Leave

Name									
Leave Commencing: (Date)									
Date of Return: (Date)									
Number of Working Days:									
Type of Leave: (Please tick)	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Holiday</td> <td style="text-align: center;">O</td> </tr> <tr> <td>Sickness</td> <td style="text-align: center;">D</td> </tr> <tr> <td>Compassionate</td> <td style="text-align: center;">D</td> </tr> <tr> <td>Other (please specify)</td> <td style="text-align: center;">D</td> </tr> </table>	Holiday	O	Sickness	D	Compassionate	D	Other (please specify)	D
Holiday	O								
Sickness	D								
Compassionate	D								
Other (please specify)	D								
Days available (per last pay slip)									
Signed: (Staff member)									
Confirmed: (Manager)									
Date:									

Checklist: (Office Use Only)

D Lodged with Trust Management

_____ Date

_____ Signed

Delegated Authority Form (example 1)

Delegated Authority Policy

Parish of _____

Authority limit – Amounts less than \$x any two of;

Treasurer, Office Manager, Assistant Treasurer

Authority limit – Amounts more than \$x any two of;

Treasurer, Office Manager, Assistant Treasurer, plus vestry resolution to support.

Specimen Signatures

Treasurer

Initial

Date of Signature

Assistant Treasurer

Initial

Date of Signature

Office Manager

Initial

Date of Signature

Delegated Authority Form (example 2)

Parish of

Delegated Authority Policy

And

Specimen Signatures

±

Signature	Initial	Approval	Limits	Date
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		
		Budgeted / Unbudgeted / Capex		

Sample reports

Example Parish				
Actual vs Budget Report				
For the Period Ending	31 March 2015	Year to Date Actual	Year to Date Budget	Variance
Income				
Offerings				
Auto Payments		29,097	0	29,097
Envelopes		11,618	0	11,618
Cash		2,650	0	2,650
Total Offerings		43,364	0	-43,364
Other Income				
Other		12,947	0	12,947
Total Other Income		12,947	0	-12,947
Investment Income				
Interest Received		214	0	214
Rent Received		5,479	0	5,479
Hall use incl donations		270	0	270
Total Investment Income		5,963	0	-5,963
Appeals				
Building Fund		1,933	0	1,933
Other		2,195	0	2,195
Total Appeals		4,128	0	-4,128
Total Income		66,402	0	-66,402
Expenses				
Staff Costs				
Dio Stipend Fund-Vicar		-13,992	0	-13,992
Levies		-1,103	0	-1,103
Reimbursements Hospitality Allowance		19	0	19
Reimbursements Other		-130	0	-130
Reimbursements Travel		-315	0	-315
Total Staff Costs		-15,519	0	15,519
Other Parish Staff				
Total Other Parish Staff		-21,648	0	21,648
Property Costs				
R&M Church Vicarage		-713	0	-713
Rates and Insurance		-2,665	0	-2,665
Light/Heat/Water		-727	0	-727
Security		-232	0	-232
Cleaning		-250	0	-250
Total Property Costs		-4,587	0	4,587
Interest				
Debt Servicing - Mortgage Interest		-13,965	0	-13,965
Other - bank fees		55	0	55
Total Interest		-13,910	0	13,910
General Expenses				
Professional Fees (Audit, Legal, Valuation)		-8,280	0	-8,280
Printing/Stationery/Postage/Copying		-863	0	-863

Example Parish

Actual vs Budget Report

For the Period Ending	31 March 2015	Year to Date Actual	Year to Date Budget	Variance
Christian Education (incl Sunday School)		-386	0	-386
Telephone		-217	0	-217
Office Supplies		-163	0	-163
Total General Expenses		-9,908	0	9,908
Beyond the Parish				
NZ Anglican Board of Missions		-1,000	0	-1,000
Other Giving		-3,620	0	-3,620
Total Beyond the Parish		-4,620	0	4,620
Total Expenses		-70,192	0	70,192
Net Surplus/(Deficit)		-3,790	0	-3,790

Example Parish

Actual vs Budget Report

For the Month Ending

31 March 2015

Month
Actual

Month
Budget

Variance

Income

Offerings

Auto Payments	11,376	0	11,376
Envelopes	4,378	0	4,378
Cash	1,643	0	1,643
Total Offerings	17,397	0	-17,397

Other Income

Other	232	0	232
Total Other Income	232	0	-232

Investment Income

Interest Received	72	0	72
Rent Received	2,210	0	2,210
Hall use incl donations	190	0	190
Total Investment Income	2,472	0	-2,472

Appeals

Building Fund	1,065	0	1,065
Other	1,330	0	1,330
Total Appeals	2,395	0	-2,395

Total Income	22,496	0	-22,496
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Expenses

Staff Costs

Dio Stipend Fund-Vicar	-4,664	0	-4,664
Levies	-368	0	-368
Reimbursements Other	-43	0	-43
Reimbursements Travel	-159	0	-159
Total Staff Costs	-5,234	0	5,234

Other Parish Staff

Total Other Parish Staff	-9,067	0	9,067
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Property Costs

R&M Church Vicarage	-153	0	-153
Rates and Insurance	-888	0	-888
Light/Heat/Water	-244	0	-244
Security	-59	0	-59
Cleaning	-78	0	-78
Total Property Costs	-1,422	0	1,422

Interest

Debt Servicing - Mortgage Interest	-7,220	0	-7,220
Other - bank fees	-30	0	-30
Total Interest	-7,250	0	7,250

General Expenses

Professional Fees (Audit, Legal, Valuation)	-8,210	0	-8,210
Printing/Stationery/Postage/Copying	-479	0	-479
Christian Education (incl Sunday School)	-52	0	-52

Example Parish

Actual vs Budget Report

For the Month Ending	31 March 2015	Month Actual	Month Budget	Variance
Telephone		-90	0	-90
Office Supplies		-19	0	-19
Total General Expenses		-8,850	0	8,850
Beyond the Parish				
NZ Anglican Board of Missions		-333	0	-333
Other Giving		-1,124	0	-1,124
Total Beyond the Parish		-1,457	0	1,457
Total Expenses		-33,279	0	33,279
Net Surplus/(Deficit)		-10,783	0	-10,783

**Example Analysis Report
For the Period Ending 31 March 2015
Building Expenses Report**

		24 Short Street	14 Long Place	3 Happy Place	Vicarage	Church	Total
Income	Hall use incl donations	0	0	0	270	0	270
	Rent Received	0	3,883	0	0	1,826	5,479
	Total	0	3,653	0	270	1,826	5,749
Expenses	Debt Servicing - Mortgage I	6,485	6,270	1,230	0	0	13,965
	Light/Heat/Water	184	0	59	484	0	727
	R&M Church Vicarage	42	0	111	580	0	713
	Rates and Insurance	612	359	874	819	0	2,665
	Security	88	0	0	144	0	232
	Total	7,391	6,629	2,275	2,007	0	18,302
Total	7,391	2,976	2,275	1,737	1,826	12,553	

Example Analysis Report
 For the Period Ending 31 March 2015
 Giving Report

	Building Fund	Other	Total
Build'g table	0	31	31
Building Fund	1,933	12	1,945
Efest	0	1,761	1,761
Foodbank	0	322	322
Guest Speakers	0	9	9
JAM/Children's Ministry	0	20	20
Ang Board of Missions	0	30	30
Selwyn	0	48	48
Stars Party	0	38	38
Total	1,933	2,195	4,128

**Example Analysis Report
For the Period Ending 31 March 2015
People Expenses Report**

	Vicar	Community Deacon	Office	Pastoral	Sehryn	Youth	IT Support	Total
Dio Stipend Fund-Vicar	13,992	0	0	0	0	0	0	13,992
Levies	1,103	0	0	0	0	0	0	1,103
Reimbursements Hospitality Allowance	20	0	0	0	0	0	0	20
Reimbursements Other	130	0	0	0	0	0	0	130
Reimbursements Travel	315	0	0	0	0	0	0	315
Oth Staff - Salary Pastoral Work	0	4,439	273	4,377	0	4,628	53	13,768
Oth Staff - Salary Secretarial	0	0	4,513	0	0	0	0	4,513
Oth Staff - Other	0	0	0	0	2,722	0	407	3,130
Staff Training	0	90	0	0	147	0	0	237
Total	15,519	4,529	4,786	4,377	2,869	4,628	460	37,168
Total	16,619	4,629	4,788	4,377	2,889	4,828	460	37,188