

*Diocese of Waikato & Taranaki
Parish Accounting Service*



MINISTRY ACCOUNTING

Policy and Procedure Manual

September 2021

Trust Management Limited - Waikato

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Whangamata – Hamilton East – Hamilton West – Ngaruawahia*

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ANGLICAN DIOCESE OF WAIKATO & TARANAKI

PARISH ACCOUNTING SERVICE

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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 Waikato and Taranaki. 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.

The accounting services have been contracted to and managed by Trust Management Ltd, in partnership with the Bishop's Action Foundation since 2014.

GENERAL GUIDELINES FOR THE PARISH ACCOUNTING SERVICE

1. Parish Vestries and Church Wardens retain control of, and responsibility for, the Financial Statements and the viability of the Parish.
2. The Parish gives approval for all payments, including Automatic Payments, and the Parish Accounting Service make payments in accordance with that authority.
3. The Parish Accounting Service will pay Creditors, provide Monthly Reports for Vestry, submit GST returns, prepare the Annual Financial Statements and provide the audit.
4. Automatic transactions, such as the payment of Vicars hospitality, Anglican Missions Board, Parish Assessments and Insurance will be managed by the Parish Accounting Service in accordance with the authority given by the parish.

The Parish authorises at the commencement of each financial cycle their approval to the amount to be charged, and the transactions are updated within the Financial Statements on due date.

All income as recorded by the Parish is banked directly into the Parish Accounting Service Bank Account. Each Parish has an identifying number for fund deposits and payments.

5. Each Parish will retain their existing bank account as an Imprest Bank Account for small and urgent payments and direct credit giving; this will need to be reconciled by the parish and sent to the Parish Accounting

Service each month so the transactions can be incorporated into the Financial Statements.

6. The Annual Audit is carried out by the Diocesan Auditors, and your Parish accounts will be included in this audit. Audit fees are charged on the same basis as Diocesan Assessments.
7. GST Returns are processed through the Parish Accounting Scheme; therefore there is no need for separate registration or preparation and lodgment of Returns.
8. Secretarial and casual staff are paid via the Diocesan payroll and recovered from the parish on or about the 15th of the month.

Diocesan Website

The Diocesan website will be an important tool for you in the Parish Accounting Service as all the forms and manuals will be available there.

DEPOSITS

1. All funds are to be banked promptly – cash (other than Petty Cash funds) should not be kept on the premises.
2. Details of the banking should be completed on the ‘Reconciliation of Deposit Form’ and forwarded to the Parish Accounting Accountants at the end of the month. This information is to include the Income Code, details of where funds are from and if appropriate the purpose for which funds have been raised. Do not forget to tick the GST column if GST is to be deducted.
3. Please ensure that when two or more weeks bankings are done at the same time, these are listed on your Reconciliation of Deposit form as one banking only, not split into weeks as it is difficult to trace the deposit.
4. Where Funds deposited are the proceeds of a grant/donation for a specific purpose, all supporting documentation should be forwarded to the Parish Accounting Accountants for audit purposes eg Grant from Trust Waikato for electrical work, a legacy etc as some of these grants have GST and some do not.
5. All deposits must be made using the individual Parish’s pre-coded deposit book supplied from the Diocesan Office. Additional deposit books are available at any time only from the Office. **DO NOT ASK THE BANK**

FOR NEW DEPOSIT BOOKS AS THEY WILL NOT BE CODED AND WE HAVE DIFFICULTY TRACING YOUR BANKING TO YOUR PARISH.

6. Most Parishes will have Direct Credit giving, and possibly vicarage or other rental income being deposited into their Imprest Account. This income must continue to be paid into the Imprest Account to enable the parish to keep a track of who has paid [for giving receipts] and to pick up any rental income not paid. The net difference less any expenditure made during the month should be deposited into the Parish Accounting bank account at the time you complete the reconciliation. Please note this banking should be included in your Reconciliation of Deposit form.
7. Special Collections, such as CWS Christmas Appeal and Induction & Ordination Services should only be banked in the Imprest Account as these are contra accounts. The amount collected is then paid as soon as possible to the organisation for which the money was collected, or in the case of Induction and Ordination Services, this money should be paid to the Diocese.
8. Tagged fund for a specific purpose (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 your accountant 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.



Diocese of Waikato

Parish Accounting Service

Form : PA.Bank Monthly

V3:1/09

Parish of: _____

Parish No.: _____

Monthly Reconciliation of Bank Deposits

Month

Account Code	Description	GST	Amount
Week 1			
200	<i>Offering - Envelope Giving</i>	X	
210	<i>Offering - Cash Giving</i>	X	
Date Banked:			0.00
Week 2			
200	<i>Offering - Envelope Giving</i>	X	
210	<i>Offering - Cash Giving</i>	X	
Date Banked:			0.00
Week 3			
200	<i>Offering - Envelope Giving</i>	X	
210	<i>Offering - Cash Giving</i>	X	
Date Banked:			0.00
Week 4			
200	<i>Offering - Envelope Giving</i>	X	
210	<i>Offering - Cash Giving</i>	X	
Date Banked:			0.00
Week 5			
200	<i>Offering - Envelope Giving</i>	X	
210	<i>Offering - Cash Giving</i>	X	
Date Banked:			0.00
Total deposits for the month			0.00

This must add and balance to your deposits

Signed: _____

Date: _____

Received: _____

Please retain a copy of all forms for your records.

GST - Tick this column if GST is to be deducted

PAYMENT OF ACCOUNTS

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.

All expenditure must be properly authorised in accordance with the delegated authority provided to the Trust Management Limited. Where payment is to be made by Trust Management Limited, the following steps should be followed:

1. Ensure where applicable, a GST Invoice is supplied in the name of the Parish. We will not pay on Statements.
2. The approved accounts are then entered on the Schedule of Accounts for Payment. The expense code, creditor's name and description should be completed together with the gross amount to be paid.
3. If there are more than one code per payment use the Sub Total code and put the total of the payment in the Total column.
4. Ensure the GST column is ticked if GST is to be deducted.
5. The Schedule should then be checked to ensure all invoices listed are attached before forwarding for payment as soon as possible. A physical signature must appear on the form. If the person authorising the schedule has a personal claim included in the month's payments, their claim must be counter approved.
7. Payment will only be made for those invoices correctly authorised and included on the Payments Schedule.
8. All creditors are paid by Internet Business Banking in these days so we will need your suppliers' bank details. Once loaded into the accounting system, details of creditors' bank accounts remain there. If you have a new creditor, the proof of the bank account would be required, e.g. a deposit slip OR a screen shot of the bank account number, bank logo and company name.
9. Invoices are paid once a month on or around 20th of the month. Please allow at least five working days for the invoices to be entered and loaded into the system before they can be paid.
10. Urgent payments can also be arranged on request.

NOTE: A copy of this form should be maintained by the parish vestry.

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 parish accounting bank account.

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

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.

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

Please complete a schedule of direct debits and attach the relevant invoices to this.

Note: Do not list Automatic Payments on this schedule.

Automatic Payments

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

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.

IMPREST ACCOUNT

The Imprest Account must be reconciled monthly using the monthly Reconciliation of Imprest Account Form.

The form should be completed listing account code, detail of expense/income and cheque number where appropriate.

Receipts/Invoices should be obtained for all Imprest expenses and attached to the form.

The receipts/invoices for money spent plus funds on hand in the bank account at month end should reconcile back to the original float.

Once reconciled please forward, together with a copy of the Bank Statement to your Parish Accounting Accountants.

For those Parishes using their Imprest Account for direct credit giving by Parishioners should deposit the funds less expenditure into our Parish Accounting Bank Account. If the account needs reimbursing please contact us to arrange a transfer.



Diocese of Waikato

Parish Accounting Services

Form: PA .Imprest

V3:1/09

MONTHLY RECONCILIATION OF IMPREST ACCOUNT

Month Ending:

Parish:

CASH BOOK RECONCILIATION

CASH BOOK BALANCE at START of month				\$	
Last month Total "A".					
<i>Code</i>	INCOME			GST ✓	
215	Offerings by Direct Credit				
280	Interest				
300	Hall Hire				
TOTAL INCOME FOR MONTH				\$	0.00
SUB TOTAL					0.00
PAYMENTS					
<i>Code</i>	<i>Cheques: Please list & code</i>		<i>Chq No</i>	GST ✓	
621	Bank Fees		D/D		
TOTAL EXPENDITURE FOR MONTH				\$	0.00
CASH BOOK BALANCE at END of month					0.00

BANK RECONCILIATION

RECONCILIATION - Bank Statement to Cash Book				
Balance as per Bank Statement - End Of Month			\$	
<i>Add Money posted above but not yet Banked</i>				
<i>Less Unpresented Cheques:</i>		<i>Chq No.</i>		
			\$	0.00
Balance at End of Month				0.00

"A" & "B" must be the same

GOODS AND SERVICES TAX (GST)

GST Returns for all participating Parishes will be submitted by the service on either a two monthly or six monthly basis. Returns are due on the 28th of the month and will be submitted by the due date provided all information has been received from the parish. If a payment is due the IRD require this by the due date, no exemption will be given for late payment which will attract a fee.

As noted under 'Payment of Accounts', it is important that Invoices are supplied in the name of the Parish to enable the claiming of GST on all relevant expenses.

With deposits it is important that any supporting documentation as to status of income for GST is forwarded to the service to ensure the correct calculation of GST Payable.

A copy of the relevant details required by the Inland Revenue Department for a valid Tax Invoice are attached.

More information on what income/expenditure is liable for GST can be found in the budgeting section of this manual.

PAYE / Kiwisaver / Student Loans

For Clergy and Lay Staff who are paid via the Diocesan Payroll, Trust Management will prepare and file PAYE/Kiwisaver and Student Loan returns directly from the payroll system.

WITHHOLDING TAX

Ministry Units may be required to return Withholding Tax on payments to certain suppliers, cleaner and 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. The payments and withholding Tax will be processed and filed via the Diocesan Payroll.

PAYROLL INFORMATION

New Employees **must** provide the following:

1. Fully completed **IR330, KS2 and KS10 if applicable.**
2. Please contact the Diocesan Office for a current "**Payroll Enrolment Form**".
3. When employing new staff Vestry should prepare an **Employment Agreement, which will include start date, hours to be worked, hourly rate, etc.**

A copy of this should be forwarded to the Diocesan Office together with the IR330 and Enrolment Form.

4. The Diocesan Registrar Manager should be consulted in the preparation of the Employment Agreement to ensure all necessary requirements of the Employment Relations Act are met.
5. Where Timesheets are required to be sent to the Diocesan Office i.e. for staff on other than set weekly hours, these should be received **no later than** the 5th working day of each month for the previous month.
6. Parishes **must** advise the Diocesan Office **promptly** of any changes in wage rate or hours worked. This should be in writing and signed by the appropriate authorised person.
As with Timesheets, this information should be received no later than the 5th working day of each month.
7. All wages and salaries are paid once a month on or around the 16th of the month by Direct Credit.

CHART OF ACCOUNTS

1. Main income and expenditure items, together with the Statement of Financial Position are allocated codes, which are universal to all Parishes in the Scheme. Some codes can be individualised for special purposes. Please discuss with the service any new codes required.
2. The income section of the chart comprises two sections, Assessable and Non-Assessable income. Diocesan Assessments are contributions paid to the Diocese each year for the running of the administration, synod, chaplaincies, social services and committees. Some items are exempt from assessment, these will appear in the Non-Assessable codes and include grants in aid, capital income, bequests, mission income to be paid to any outside organisation, income for a social service such as Seasons or Selwyn Centres, or any other exceptional item for which the parish has applied to Standing Committee for a special exemption not later than 31st January following the financial year end. Parish assessments are calculated based on a parish's income two years prior ie. 2022 assessment is calculated on 2020 income. The percentage to be assessed on a parish is fixed annually by synod.
3. The service will provide individual General Ledgers for each Parish upon which monthly and Annual Reports will be based.
4. Incorrect coding or posting of information can be adjusted by Journal Entry on advice by the Parish.

MONTHLY REPORTS

1. The service will work with the parish to have reports ready by vestry meeting dates if requested, otherwise reports will be emailed by the end of the month following.
2. Generally the Parish Accounting Accountants require seven working days to prepare the monthly reports after the required information are provided.
3. The monthly reports will include a statement of financial position, statements of financial performance showing month, year to date, budget year to date and last year to date, plus the general ledger detail for the month.

Other operations run by a Parish e.g. Opportunity Shop and Stock Accounts can be included on a separate performance report to general parish operations. Please request this.

NB: There will not be any “Last Year” figures shown in the reports for your first year of Parish Accounting.

ANNUAL FINANCIAL REPORTS

1. The Annual Financial Accounts will be completed by Trust Management and audited by the Diocesan Auditors.
2. Parishes are asked to advise the Diocesan Office and Trust Management of the date for their Annual General Meeting so we can have Financial Statements completed for presentation to your meeting.
3. Review the Annual Checklist attached and ensure all information has been forwarded to your Parish Accounting Accountants. If information is not received in a timely manner we are unable to prepare Annual Reports by AGM deadlines.

ANNUAL CHECKLIST

Details of **all deposits** have been forwarded to the Parish Accountants.

All Invoices relating to the Financial Year ending 31 December, have been authorised and forwarded to the Parish Accountants as soon as possible after balance date. This will include any January invoices for materials or services provided in December. This ensures a true record of the Parish's annual operation is recorded. It is helpful if the parish can list the Sundry Creditors and Sundry Debtors at 31 December.

Final **Imprest Account Reimbursement** to 31 December has been calculated and forwarded with a copy of December Bank Statements.

Stock on Hand details at 31 December have been recorded and sent to the Parish Accountant e.g. Livestock numbers on hand, natural increases, death, etc.

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.

BUDGETS

All Parishes are required to prepare a budget for the next financial year to be presented at the Annual General meeting for adoption.

Preparation of a budget will assist your Parish as a planning tool and will enable you to carefully monitor progress throughout the year.

The current year's financial results are a good starting point for building a budget framework.

All budgets should be prepared on a GST exclusive basis (as are your Monthly Financial Reports).

Annual Budgets are generally allocated evenly over the twelve months; however it is possible to allocate directly to a specific month. For example, a Parish Fair may be held in November each year. The estimated income for this event could be shown against the month of November only. Similarly interest on WDTB Investment can be allocated in total to December or quarterly where interest is received in advance. Insurance is another expense that is paid annually (usually April/May). Please advise the Parish Accounting Accountants of any specific budget allocations required.

The following pages contain information to assist with the preparation of your Parish Budget.

INCOME

Income subject to GST includes:

Fees for funerals, weddings etc.

Hireage received for the use of halls, facilities.

Refunds for claimable expenditure eg tolls reimbursements.

Photocopying receipts.

Proceeds from the **sale of purchased goods** eg Fair goods purchased such as meat, drinks etc.

Raffle money received.

Proceeds from the **sale of donated goods** eg cakes, produce are **exempt from GST**.

GIVINGS

Offerings for the general purposes of the Parish are **exempt from GST**.

Cash	Base this on last year plus expected growth / decline. Monitor the source of cash donations as they may come from parishioners who may give more if giving regularly through the envelope system.
Envelopes	Set a target for Thanksgiving Sunday so that Parishioners are aware of Parish needs.
Direct Credits	An important and reliable method of giving, easy to monitor and budget for. See sample form.
Donations	Hard to budget, but be aware of annual donors. Reminders may be given to them before end of financial year so donations can be included in Tax Receipts.

GENERAL PARISH PURPOSES

Fair or Gala	Set annual target with the Fair Committee. Income less floats & GST due on purchased goods.
Special Events	As above.
Interest	Based on investments, Estimate income from other investments.
Hall Hire	Include estimated income exclusive of GST.
Photocopying Receipts	Receipts exclusive of GST.
Expenses Recovered	Show exclusive of GST.

SPECIAL PARISH PURPOSES

All exempt from GST.

Interest on Special Funds	Compare with last year. Estimate average balance of investments held during year. Allow for additions, withdrawals from funds.
Special Project Income	As planned by the Fundraising Committee. If for the purchase of equipment etc include in Capital Income area.
Opportunity Shop Sales	Estimate likely income. Discuss with Shop Manager.

OTHER PURPOSES

ALL exempt from GST.

Overseas Mission Appeals	Set your target with your missions support group. In this case budget for expected income to match expenditure. Net amount = NIL.
Special Appeals	As above. This is the income that has to be raised to meet basic costs of the Parish, before providing for capital expenditure and identifying the sources of funds to be raised or allocated to meet capital expenditure.

EXPENDITURE

STIPENDS AND MINISTRY COSTS

All exempt from GST.

Stipend	The amount charged to your Parish as Stipend includes ACC levy, Pension contribution, etc. The monthly stipend transfer to the Diocese is the source of this information. Adjustments to stipends are made at 1 May each year; therefore include four months at the old rate plus eight months at the new rate.
Visiting Clergy Service	Only budget if you expect to bring in relief clergy. Fee per service is \$66.50 per service with a maximum of \$133.00 per day, plus travel.
Travel – Vicar	Estimate annual travel at rate agreed with Vicar.
Clergy Hospitality	Amount agreed in covenant with Vicar.
Clergy Books	Reimbursement for books, journals etc related to job. This is not an allowance or subject to taxation [can include software].

PARISH RUNNING COSTS

Advertising	Base on last year, plus known increases in activity.
Interest & Charges	Hopefully not required, but if your Parish is in overdraft allow 7-8% on the floating balance.
Communion/Altar Supplies	Estimate from last year.
Fair or Gala expenses	As per budget approved by Fair Committee.
Parish Publications	Newsletters. Consider that income from advertising may lessen cost.
Printing/Stationery/Postage	Consider any major purchases, letterheads, envelope printing. Photocopying is included in this code.
Telephones/Tolls/Internet	Office & Vicarage – Rent, calls & Internet.
Subscriptions/Conferences	As agreed with Vicar.
Christian Education	Consult with Christian Education Committee and set budget to meet their plan for the year's activities.
Youth Activities	As above. Plan early in the year.
Hospitality & Gifts	Tea, coffee, catering & gifts. For donations use Mission code.
Sundry	Only use this code for small items.
Functions	May be self-funding from income.

ASSESSMENTS

Annual Assessment to Diocese	Set at Synod of previous year. Refer Synod papers.
Anglican Missions Board	Suggested level set at Synod as above. Exempt GST.
Other Missions	Usually Special Appeals. Will balance with income.
Donations	Donations to other worthy causes.

PROPERTY EXPENSES

R & M - Equipment	Actual repairs and maintenance budget.
R & M - Parish Buildings	Actual cost based on maintenance budget.
R & M - Vicarage	As above. GST is not claimable on any vicarage

expenses.

Grounds	Allowance includes maintenance of lawns. No GST on Vicarage lawns – list separately.
Electricity/Gas	Base on last year plus increase in tariff rate.
Insurance	Insurance runs from 1 January to 31 December and is billed in January. Insurance levels will be discussed with Parish Vestry towards the end of prior year. No GST can be claimed on Vicarage insurance.
Rates	Mostly on Vicarage but GST cannot be claimed – list separately. Local authorities may charge for Church rubbish disposal, toilet connections etc. GST is claimable on these.
Other property expenses	Security.

CAPITAL INCOME AND EXPENDITURE

If you are planning major capital expenditure, please discuss this with the Diocesan office when preparing your budget.

Diocese of Waikato - Parish Accounting Service

Parish of: _____

Year ending: 31st December 2009

V3:1/09

Budget Calculator

Form: PA.Budget

ACCOUNT DESCRIPTION	ACCOUNT CODE	Last Year Budget	last Year Actual	This Year Budget	Split
INCOME					
DIRECT GIVING					
Offerings - Envelopes	200				
Offerings - Cash	210				
Offerings - Direct Credit	215				
Offerings - Donations	220				
Total Giving		0	0	0	
GENERAL PARISH PURPOSES					
Fair/Gala	250				
Special Events	260				
Weddings/Funerals/Baptisms	270				
Interest/Dividends	280				
Rent - Vicarage	295				
Rent - Hall	297				
Rent - Driveway	298				
Magazine Advertising	310				
Other Receipts	320				
Donations - Youth	306				
Total General Income		0	0	0	
SPECIAL PARISH PURPOSES					
Interest on Special Funds	350				
Publications	351				
Special Project	360				
Opportunity Shop Income	380				
Grant in Aid - Region/Diocese	395				
Total Special Income		0	0	0	
OTHER PURPOSES					
Anglican Missions Board	400				
Christmas Appeal - CWS	410				
Special Appeals	420				
Total Other Income		0	0	0	
TOTAL INCOME	(A)	0	0	0	

Enter in the Split column how you want the figures allocated over the year

Unless specified otherwise they will be split 1/12 to each month.

Enter "S" in Split.

If you want it all in a month enter the month No. eg March = 3

If you want it split over several months like rates enter Month Nos eg "3-6-9-12"

If you require greater variations, please discuss with the Administration Office

PROPERTY EXPENSES

R & M - Church	800			
R & M - Hall	801			
R & M - Office	803			
R & M - St John's,	802			
R & M - Vicarage	810			
R & M - Equipment	820			
Equipment Purchases	821			
Ground Maintenance	825			
Insurance	830			
Electricity	840			
Rates	860			
Rent Costs	870			
Security	869			
Total Property Costs				0

TOTAL EXPENDITURE	(B)			0
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NETT OPERATING SURPLUS/DEFICIT	(A - B)			0
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NB: This is the net Surplus/Deficit on the normal running operations of the Parish. It should not include any income or expenditure for capital items such as renovations to buildings or new office equipment.

Property, Plant and Equipment

Capitalisation Threshold: The threshold is \$500.

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.

ACCOUNTING DEFINITIONS

Statement of Financial Performance: Shows the activity carried out by the Parish during a particular period. This is also referred to as the Income and Expenditure Statement.

Statement of Financial Position: This is a financial “snapshot” of the Parish at a point in time, It shows what the Parish owns (assets) and what it owes to other parties (liabilities) and the equity or accumulated funds. This report is also referred to as a Balance Sheet.

Accumulated Funds: This is the total assets less total liabilities.

Assets: What a Parish owns, e.g cash, investments, debtors, land and buildings.

Current Assets: These are all the assets which can be quickly turned into cash eg cash, debtors, stock.

Accounts Receivable (Sundry Debtors): A current asset which is money owed to the Parish, normally as a result of providing services on credit rather than for cash.

Liabilities: What a Parish owes. Current liabilities are those which are owed within one year. Term Liabilities are those which are due for repayment in more than one year e.g. loans/mortgages.

Current Liabilities: These are all obligations for which cash is expected to be paid within one year. e.g. Creditors for goods purchased.

Accounts Payable (Creditors): A current liability which has usually arisen through the purchase of goods/services on credit rather than by paying cash.

Budget: A budget expresses the goals and objectives of the Parish in terms of the financial resources required to achieve the desired/required result.

General Ledger: A systematic collection of individual accounts into which entries are posted.

Accrual Accounting: A means of matching what the Parish spends and earns to the period in which the income is actually earned or the expenditure is financed. This is not necessarily the same time as cash changes hands. At the end of an accounting period, any expenses or income due are accrued and included in the Statements of Financial Performance and Position. Accrual accounting provides better information than cash accounting on the real costs of the Parish, use of resources and performance of the Parish.

HOW TO SUBMIT YOUR MONTHLY INFORMATION

Email

Monthly Bankings and Imprest Reconciliations may be completed electronically and emailed in excel format. Schedules of direct debits and payments may be completed electronically but must be printed, signed and scanned. Invoices can be emailed in pdf format, provided the total size of the email does not exceed 10MB. Electronic copies of schedules and invoices will be maintained by the service, the parish is required to keep the original documents for a period of seven years.

Post

Monthly documents may also be posted to the appropriate office. Please do not post original documents in case they are lost in the post. Retain the originals at the parish office for a period of seven years.

Scanning of Invoices

To avoid scanning each invoice individually we recommend the use of a scanner capable of batch scanning.

Please follow these instructions for scanning from the parish office:

(Note: Machines may vary slightly)

1. Select the **scanner** button on the copier panel beside the screen
2. Select the recipient's email
3. Select the **scan settings** icon on the left side of the screen and ensure that the following settings are selected by moving between tabs using the touch screen
 - a. Original Type – **B&W Text/Line Art**
 - b. Scan Size – **A4 Portrait**
4. Place all of your documents in the top feeder with text facing upwards
5. Push the big green **start** button

If you have invoices in the batch that are double sided or smaller than A4 you may find it easier to scan using the plate. In this case follow steps 1 – 3 above then:

1. Place the first invoice face down on the plate according to the marking guides
2. Close the lid and push the big green start button
3. Re-open the lid, remove the first invoice and place the second within 60 seconds
4. Close the lid and push the big green start button
5. Once this has been completed for all invoices push the hash key on the keypad. This will send all of the invoices as one electronic file.

*When the machine cannot detect the page size simply place a blank A4 sheet over the top of the invoice.

NOTES