



TREASURERS' HANDBOOK

The Uniting Church in Australia – Northern Synod

Prepared by Synod Financial Services

December 2014



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Treasurer's Handbook

1.0 Introduction

Thank you accepting the position of Congregational Treasurer in the Spirit of Generosity, to serve the Lord.

It is important that the Uniting Church in Australia – Northern Synod's financial services team is informed of/ updated with the details of the current Congregational Treasurer, as we will be dealing with him / her regularly.

This document gives you an overview of the Synod financial system and services to the congregations. We would like to update this handbook on a regular basis so that it becomes an up to date and easy to follow resource to our congregations. Therefore, your comments, to improve the contents, will be very much appreciated.

This also provides guidance as to what records and tools each congregation should be using.

1.1 Overview

The Synod Financial Services ("SFS") provides a centralized financial system to the congregations where:

- One Synod bank account is used to hold monies on behalf of all the congregations;
- MYOB Ledger Accounts are used to separate each congregations' monies;
- Congregations deposit monies into the Synod Congregation Bank Account which are then credited to the congregation's MYOB ledger account. Please note that the numbers have been allocated to each congregation to identify the deposits.
- Congregations send Requests for Payments (with attached invoices) to the SFS, who then prepare payments via bank transfers or cheques to the relevant suppliers. The payment is taken from the Synod Congregation Bank Account and recorded against the relevant congregation MYOB ledger account.
- Congregations, using credit cards will pay for expenditure directly, and at month end credit card statements (with supporting Tax Invoices) are sent to SFS for processing. At month end, credit card balances are automatically paid through the Synod Congregation Bank Account. This is matched to the congregation credit card statement and recorded against the congregation MYOB ledger Account.
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- As per the instructions of each congregation, SFS prepares payroll using the Attache system, and then paid from the Synod Congregation Bank Account and the payroll expenses are debited against the relevant congregation MYOB ledger account.
- At the end of the month, SFS provides a record of the movements in the congregations' ledger via email to the congregation Treasurer;
- The SFS does not provide a separate financial report as the MYOB ledger report is used for this purpose. It is the responsibility of the congregation to check all information in the Ledger for accuracy, then to prepare its own financial report for the congregation's church council.



1.2 Summary of the Work Flow for Congregations and Synod Financial Services

	CONGREGATION	SYNOD FINANCIAL SERVICES ("SFS")
RECEIPTS	<ul style="list-style-type: none"> *Receive cash (Donations/Op shop sales/Rent etc.) *Cash deposited in bank (agent numbers) *Deposit Summary sent to SFS 	<ul style="list-style-type: none"> *Receive Deposit Summary (match against bank account)
PAYMENT (Request for Payment)	<ul style="list-style-type: none"> *Receive Invoices (not payable by credit card) *Submit approved Request for Payment to SFS 	<ul style="list-style-type: none"> *Payment of requested items (via cheque, EFT or BPAY)
PAYMENT (Credit cards)	<ul style="list-style-type: none"> *Receive invoices (payable by credit card) *Credit card payments either online/phone (approved by Treasurer) *Submit credit card statement with tax invoices to SFS 	<ul style="list-style-type: none"> *Receive completed credit card statement with tax invoices for each transaction
PAYMENT (Petty Cash)	<ul style="list-style-type: none"> *Pay small expenditure through Petty Cash (could be <\$50) *Petty Cash Imprest Reimbursement Request (ledger) with tax invoices *Receipt of Petty Cash Imprest Reimbursement request (Top-up) from Synod 	<ul style="list-style-type: none"> *Processing of Petty Cash expenses and reimbursement back to Congregations
PAYMENT (Payroll)	<ul style="list-style-type: none"> *Payroll instructions to SFS *Ministers and other staff (leave entitlements taken i.e. annual leave and sick leave to be submitted) *Timesheets and other instructions submitted for full / part time staff 	<ul style="list-style-type: none"> *Stipends and salaries paid and running balance of leave entitlements updated on Attache payroll *Staff salaries paid according to instructions from congregation
PAYMENT (Direct Debits)	<ul style="list-style-type: none"> *Letter sent by SFS confirming direct debits with Congregations (i.e. Stipends and on costs, Synod contributions) as approved by congregation. 	<ul style="list-style-type: none"> *Stipends and On Costs directly debited as per agreement with congregation *Synod contributions deducted based on last quarterly Synod contributions paid in the previous year
RECONCILIATION	n/a	<ul style="list-style-type: none"> *Fortnightly reconciliation of Synod Bank Accounts and congregation MYOB ledgers
INVESTMENTS	<ul style="list-style-type: none"> *Inform SFS the details regarding your investments. 	<ul style="list-style-type: none"> *The Synod will keep a record of investments in MYOB.
REPORTING	<ul style="list-style-type: none"> *CONGREGATIONS TO CHECK THE MONTHLY LEDGER RECEIVED FROM SYNOD FOR INCOME & EXPENDITURE ACCURACY. 	<ul style="list-style-type: none"> *The Synod will send out via email to each congregation Treasurer the congregations' ledger for the month.



2.0 DETAILED OPERATIONS OF THE SYNOD FINANCIAL SYSTEM

2.1 Introduction

Synod only has one bank account for the congregations. Every transaction is recorded into MYOB and separate congregation ledgers are maintained.

The main reason why the Synod Financial Services holds all the congregation's monies is that since the introduction of the GST, it is difficult for each congregation to prepare its own BAS returns. SFS prepares the BAS returns monthly for all the congregations and claims the GST back on behalf of the congregations.

Some Congregations create a separate ledger account for the Op Shops. Expenses and Deposits are then separately maintained by the SFS. Whether or not to maintain separate ledgers for the congregation or the Op shop is at the discretion of the congregation. But, you will have to inform SFS.

2.2 Receipts

Collection and Deposit of Congregation Donations / Opportunity Shop Sales / Other Income and Agent Numbers

All funds, to which Congregations are entitled to should be received, banked and accounted for.

It is essential that cash received should be counted by 2 persons and recorded in a register.

Every deposit into the Synod bank account needs to be separately identified and GST components are confirmed so that the SFS can allocate the deposit against a particular congregation ledger in MYOB.

Every congregation is provided with a deposit book which has an agent number. The congregation should email/fax a copy of the deposits to the SFS.

Email: wendy.edison@ns.uca.org.au or lal.wijeratne@ns.uca.org.au and Fax: 08 8982 3499

Please note that all income is to be directly banked into the congregational bank account held by the Synod. There should be no offset or payment of expenses from income. The banks deposit books for the congregations are to be ordered through SFS as they are specially designed for the Northern Synod.

See Appendix 1 – Details of Bank Deposit

Appendix 1A – Cash Receipt (In case you have to issue a receipt – please remember to retain a copy for congregation's records) and Appendix 1B – EFT Codes for Individual Congregations



2.3 Payments

Credit card, Petty Cash, Request for Payment, Direct Debits or Payroll

Each congregation can make payments via the following methods:

1. Credit Cards
2. Petty Cash Imprest System
3. Request for Payment – SFS will pay based on invoices approved by the Treasurer.
4. Direct Debits – SFS will arrange as instructed by the congregation
5. Payroll – SFS will arrange as instructed by the congregation

2.3.1

Credit Card

Congregations have been offered credit cards with up to a \$5,000 monthly limit. Application forms are available from SFS.

Congregations can make payments directly to the suppliers (where credit cards are accepted).

Credit card balances will be automatically cleared at the end of each month.

The credit card statements will be sent out directly by SFS to each congregation for review.

Once the transactions from the credit card statement has been reviewed and approved by the congregation Treasurer, the completed credit card statement together with supporting tax invoices / documents are to be sent to SFS within 10 days after month end.

The credit cards will allow congregations to pay for certain expenditure immediately and it will not be necessary to pay using personal funds by members or Minister and then request reimbursements from SFS.

2.3.2

Petty Cash Imprest System

A petty cash Imprest up to \$250 is available to each congregation to spend on minor expenditure items, i.e. milk, snacks etc.

When the congregation has spent all its petty cash or when the congregation requires a top up, then a Petty Cash Imprest / Reimbursement request should be forwarded to SFS.

The reconciliation of petty cash will be:



Imprest (say \$250), LESS expenses (with attached invoices) = balance cash in hand

The SFS will then pay cash/transfer monies to whoever is responsible for the petty cash. The petty cash Imprest will then be topped back to its original level of \$250.

See Appendix 2 - Petty Cash Imprest System and Petty Cash Imprest/Reimbursement Request

2.3.3

Request for Payment

Congregation will send SFS a Request for Payment with attached outstanding invoices to be paid.

Please ensure that the payment requests are properly authorised according to your congregational rules and regulations. We cannot process unauthorised payment requests.

We have received requests by email authorising us to pay “attached invoices”. But, in order to have a proper authorisation of the payments, please mention **“pay attached invoice number 1234 of 01/01/2015 from ABC Suppliers Ltd.”**

SFS will then make payments according to the instructions of the congregation by;

- Cheque
- Reimbursement to a congregation member;
- BPAY or Direct Credit

Note: where possible, all urgent payments could be made using credit card (if available) and if this is not possible, then a Request for Payment should be made.

See Appendix 3 - Request for Payment

2.3.4

Direct Debits

Direct debits help facilitate the regular payment of stipends and on costs and Synod contributions during the year.

Synod will at the beginning of the year will send a letter to each congregation confirming the fortnightly, monthly or quarterly payments to be made.

If your congregation requires SFS to set up a direct debit for any supplier, please contact SFS with the details.



2.3.5

Payroll

Staff salaries including Ministers' stipends are paid by SFS via the Attache Payroll system.

For permanent staff, their salaries are relatively unchanged each fortnight. If there are any changes, inform SFS in writing / email as soon as possible

For part time staff, fortnightly timesheets will need to be submitted to SFS for processing.

As the Attache payroll system maintains running balances of annual leave, sick leave and long service leave accruals, congregations will need to submit:

For Minister - "Notification of Leave Form"

And

For others – "Application for Leave"

So that Attache Payroll system is updated.

Both these forms will need to be submitted by Thursday 10.00 am, prior to the fortnightly salary is processed.

Each employee will receive a fortnightly payslip via email (Alex System).

See Appendix 4 - Notification of Leave

Appendix 4A – Application for Leave

Appendix 4B – Time Sheet

2.4

Reporting

Monthly MYOB Ledger Statements

At the end of each month, the SFS will send congregation's monthly ledger to every congregational treasurer by email.

The congregation will match the MYOB monthly ledger against the documents send to SFS for accuracy i.e. Deposits summary, Petty Cash Reimbursement, Request for Payments, Credit card payments, Payroll payments etc.

Any discrepancies to be brought to the attention of SFS staff immediately.



3.0 ROLE OF THE CONGREGATION TREASURER AND SYNOD FINANCIAL SERVICES

3.1 Responsibilities of the Treasurer

The congregational Treasurer ensures that the following duties are performed:

- Safeguard the congregations' monies including custody of congregation cash;
- Check the monies received with supporting documents and issue receipts if required;
- Banking monies received to Synod bank account;
- Send deposit slips to SFS detailing the monies banked;
- Check that all invoices payable are valid, approved and then paid;
- Use credit cards to ensure that invoices are paid on a timely basis, then to send the completed credit card statement with supporting invoices to SFS within 10 days after month end;
- Manage the payments of small items from the petty cash fund and the subsequent top up from SFS;
- Send to the SFS Requests for Payments and supporting invoices;
- For payroll purposes, send to the SFS Timesheets or Notification of Leave / Application for Leave;
- Check the monthly congregational MYOB ledger against the congregation's records for income and expenditure accuracy and inform SFS regarding any discrepancy;
- Prepare monthly / yearly reports to the Church Council detailing the receipts and expenditures for the month / year;
- Prepare congregation budgets and compare these to actuals at year end;
- Complete the Congregation Annual Return.
- If required, coordination of the audit and submission of audited financials to the Synod

3.2 Role of Synod Financial Services

The Synod Financial Services performs the following duties:

- Maintain accurate congregation MYOB ledgers reflecting the receipts and expenditure of the congregation;
- Record bank deposits against the relevant MYOB congregation ledgers;
- Receive and process payment instructions from the congregations, and charge payments against relevant MYOB congregation ledgers;
- Process fortnightly payroll via Attache (recording annual and LSL leave), then to charge payroll against relevant MYOB congregation ledgers;
- Perform reconciliations of the Congregation bank accounts;



- Send to the congregational Treasurer the congregation's monthly MYOB ledger via email;
- Prepare monthly Business Activity Statements for the Australian Taxation Office.



4.0 OTHER

4.1 Congregation Financial System

- Congregations should maintain a filing system of all invoices and receipts. Originals should be provided to the SFS as requested ;
- Congregations to maintain financial records of receipts and deposits;
- Congregations to keep financial books to record expenditures (with method of payment i.e. credit card, petty cash or request for payment);
- Congregations, at the end of each month to check their records against the congregational ledger provided by SFS.
- Inform SFS regarding any discrepancies in the congregational ledger provided by SFS.

4.1.2

Congregation could maintain either a Manual System or Electronic System

Manual System

- Most congregations can simply use the Money Column book or Excel to summarise the information provided by the SFS. Column totals from the money column book can be easily summarized (See Appendix 4 MYOB Ledger – Money Column Book) in order to prepare monthly/annual totals for each income and expenditure account.

Electronic System

- Financial systems such as MYOB or QuickBooks can be used. Transactions can be entered in from the congregation MYOB ledger. Income and expenditure reports are easily generated from these financial systems.

4.2 Specific Areas of Interest

Annual Return

- Annual Returns are required to be submitted each year usually by March;
- Annual returns are made up of 3 sections being 1) Synod Contribution 2) Income and Expenditure Statement Actual vs. Budget 3) Membership Data

- 1) **Synod Contributions** – Synod contributions are deducted on a quarterly basis (based usually on prior year's Synod contribution). At the end of the financial year, the congregation will calculate what is payable for the year and deduct the Synod



Contributions paid for the year. Then a final Synod contribution amount is paid to / refunded by the Synod.

- 2) **Income and Expenditure Actual vs. Budget** – The Synod has determined a standard reporting format for the income and expenditure of the congregations (refer Appendix 6 – Annual Report). This format will enable the Synod to compare the activities of each of the congregations.
- 3) **Membership Data** – these data are required by the Pilgrim Presbytery for decision making purposes.

4.3

Stipends and On-Costs

SFS will calculate and let you know the charges in January, each year. For your guidance we give below an explanation of each item.

- Stipends – As determined by the Synod beginning of each year.
- Housing Allowance – As determined by the Synod beginning of each year.
- District Allowances– As determined by the Synod beginning of each year.
- Ministers Beneficiary Fund payments are determined annually by the Beneficiary Fund.
- Sickness and Accident Levy – congregations contribute to a Sickness and Accident Fund, to which they can access funds for a supply Minister, if their own Minister falls sick for a considerable period of time.
- Long Service Leave Levy – congregations contribute to a Long Service Fund, to which they can access to fund a Supply Minister, if their own Minister takes Long Service Leave. Note if the Minister is from another Synod, their Long Service Leave contributions will effectively be on passed from the Northern Synod to the originating Synod of the Minister. Thus when the congregation's Minister goes on Long Service Leave, the Northern Synod can access monies for a supply Minister from the originating Synod of their Minister.
- Resource Allowance - congregations contribute to a Resource Allowance fund held by the Synod. Each Minister can access this fund by providing invoices of books/subscriptions for reimbursement from the Synod. Please note that each year's Resource Allowance should be utilized by the Minister by the end of the following year.



- Professional Development Travel Fund – PPNA congregations contribute to a Professional Development Travel Fund held by the Pilgrim Presbytery of Australia. Ministers can access this fund by providing invoices of travel pertaining to a course for reimbursement.
- Motor Vehicle Travel Allowance – where Ministers are not provided with a congregational vehicle, Ministers can be paid an allowance based on the annual likely work related kilo meters travelled. The rates are based on the Queensland Synod motor vehicle allowance rates.



5.0 Goods and Services Tax (GST)

As congregations are registered for GST, every payment with a GST component can be claimed back from the Australian Taxation Office (ATO).

For receipts, the following are GST free; Offerings, Donations and Opportunity Shop Sales (provided second hand goods received as gifts). Where congregations receive Government grants, there is usually a GST component which would need to be paid to the ATO.

Example

Payment for Lawn mowing services	Service fee	\$500
	GST (10%)	<u>\$ 50</u>
	Total	\$550

The Synod is instructed to pay \$550 to the supplier. In the MYOB ledgers, the congregation will only be charged \$500, and the GST of \$50 will be charged to a GST Paid account, to be later reimbursed by the ATO.

Receipt of Government Grant	Grant	\$1,000
	GST	<u>\$ 100</u>
	Total	\$1,100

In the Synod's bank account \$1,100 is received. In the MYOB ledgers, \$1,000 is credited to the congregation ledger and the GST of \$100 will be charged to a GST Received account, to be later paid to the ATO.

The Synod Financial Services team prepares the Business Activity Statement (BAS) on a monthly basis to claim or pay GST. Please note that in order for the Synod Financial Services team to complete their BAS as accurately as possible, all credit card statements including tax invoices should be submitted to the Synod no later than 10 days after month end.



6.0 SIMPLE TASK CHECKLIST FOR CONGREGATIONAL TREASURERS

REVENUE

- Offerings
- 2 people (preferably unrelated) to count after the service and sign that the actual offerings received;
Cash should be held in a safe place until banked.
 - Offerings should be banked as soon as possible, most importantly every Monday morning;
 - Email SFS how much was banked with the details;

Opportunity Shop

- Check receipted sales matches that of cash counted (note receipt book should have Pre Numbered receipts);
- Sales should be banked as soon as possible;
- Email SFS how much was banked for the Op-Shop;

PAYMENTS

- Credit Cards
- Invoices/goods can be paid for over the counter, online or by phone. On a monthly Basis the Treasurer will complete the credit card statement and together with the Invoices, forward to SFS for processing;

Request for Payment

- Where credit cards are not accepted by the supplier, the Treasurer will prepare a Request for Payment form, authorize it as required and together with the relevant invoices, forward this to (email, mail or fax) to SFS for direct payment to the supplier;

- Petty Cash
- A petty cash imprest of up to \$250 may be requested from the Synod, and the Treasurer may use this petty cash imprest to pay for small items. On a regular basis, the Treasurer will prepare a petty cash replenishment report and send this together with relevant invoices to SFS for reimbursement;

REPORTING

Monthly Statements

- SFS will forward monthly statements which include all income and payments as per above (excluding GST). The Treasurer should verify each of the transactions for accuracy;



Council Meetings

- The treasurer will prepare Monthly Actual vs. Budgeted Income and Expenditure Reports and a statement of unpaid accounts, cash balances and investments, as applicable, for the council.

OTHER

In case the Synod decides to conduct an audit, the Treasurer will coordinate the audit process in consultation with the auditor and Synod Chief Financial Officer.



7.0

BUDGETS

A budget for the financial year has to be prepared with the input from the whole church council.

The Congregation Budget will form part of the Annual Financial Return and also will be a tool for the congregation to measure their financial position against the actuals.

The budget should reflect the mission of the congregation.

INCOME

Estimate Offerings and Donations based on past collections and attendance numbers.

If there are investments, calculate Interest as agreed.

If any fund raising events are planned, estimate you income expectations.

Income from Opportunity Shop (if any), could be estimated using past income as a guide.

EXPENDITURE

Identify the cost areas and based on invoices and the details provided by Synod Financial Services.

Please consult the leaders of different cost areas as to their needs and associated costs that should be included in the budget. This may even lead to new income generating activities to be planned as well.

CAPITAL EXPENDITURE

Please evaluate your congregation's requirements of capital items and how the congregations could fund the same and prepare a Capital Budget. (Ref Appendix 7 for a Sample Capital Expenditure Budget)



8.0

HELP & ASSISTANCE FROM “SFS”

The Synod Financial Services (SFS) team is there to help and assist you in performing your duties as the Congregation Treasurer.

Our team and contact details:

Lal Wijeratne	Chief Financial Officer	lal.wijeratne@ns.uca.org.au
Wendy Edison	Senior Bookkeeper	wendy.edison@ns.uca.org.au
Lira Rahantoknam	Bookkeeper	lira.rahantoknam@ns.uca.org.au
Telephone	(08) 8982 3400	

Please feel free to contact them if you require any clarifications, help or assistance.