

Church Treasurer's Manual



Seventh-day
Adventist Church™
North New South Wales

Local Church Support
Services Department

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Introduction

In response to the grace and calling of God, the Seventh-day Adventist Church exists to fulfill the commission of Jesus by experiencing and sharing the good news of salvation. Empowered by the Holy Spirit, our church will be characterised by spirituality, teamwork, ministry, nurturing and accountability.

Christians are God's stewards, entrusted with His resources and, as His partners, are responsible to manage them in harmony with His guidelines and principles. The divine counsel is that, as His stewards, we are to "be found faithful" (1 Cor. 4:2 NKJV). Stewardship concerns the entire Church family and involves our recognition of the sovereignty of God, His ownership of all things, and the bestowal of His grace upon our hearts. — Church Manual Ch.11 (Revisions). Good stewardship of our limited financial resources is vitally important. It is dependent on neat and accurate accounting records, founded on consistent 'best practice' principles and rules.

It has been a longstanding determination of the North New South Wales Conference to provide comprehensive support services to all of the local churches it cares for. The Local Church Support Services Department was established primarily to provide support, resources, guidance and training to Local Church Treasury Teams. It is the sincere desire of all conference Treasury personnel to help improve local church functionality so that a stronger, more vibrant financial structure will protect church assets, and contribute directly to the mission of the church.

The Church Treasurer's Manual provides vital information on operational policy and procedures in the Local Seventh-day Adventist Church situation. This manual will be reviewed on an annual basis. Feedback and comments from Local Church Treasurers is welcome. The latest version of the Manual is available online on the NNSW Conference website: nsw.adventist.org.au.

In addition to this manual, the NNSW Conference Local Church Support Services Department provides ongoing training and support for all Local Church Treasury Teams. Annual training sessions are conducted to present current and relevant information on financial procedures, reporting requirements and policy updates, ensuring treasurers are well equipped to carry out their responsibilities accurately and with integrity. This support also includes help desk assistance for troubleshooting, answering queries and providing assistance on day-to-day financial matters.

We accept our responsibility to be held accountable to God, the church and corporately to each other. Ongoing support includes help desk assistance for troubleshooting, answering queries and providing assistance on day-to-day financial matters

Section 1 — The Church Treasurer

Ethics of Church Officers

“The gathering and handling of funds for the Lord’s work is a sacred responsibility.” – Church Manual Ch.11 (Revisions 2016).

It is for this reason that the process of appointing the appropriate person to fulfil the role of local church treasurer is an important task. The Bible outlines that leaders should fear God, be individuals of truth, hate covetousness and be full of the Holy Spirit and wisdom (see Acts 6:3 and Exodus 18:21). It is therefore wise to choose an individual who would be available for re-election in order to provide continuity in record keeping and reporting. The Local Church Treasurer is in a position to greatly encourage church members to be faithful in the returning of tithe and giving of offerings.

Large churches may appoint assistant treasurers to support the treasurer in fulfilling their responsibilities.

Privacy and Confidentiality

Local church treasury teams have access to significant amounts of personal information within the local church family. It is a critical requirement that absolute confidentiality of all members’ personal information and giving details be constantly maintained. This can never be emphasised enough. It forms the basis of role integrity.

“The treasurer should always remember that relations with individual members are strictly confidential. The treasurer should never comment on the tithe returned by any member, or on the income or anything concerning it, except to those who share the responsibility of the work. Great harm may be caused by failure to observe this rule” — Church Manual Ch.11 (Revisions 2016).

Responsibilities of the Church Treasurer

The Local Church Treasurer is responsible to the Local Church Board, Local Church Members, Conference Treasury and ultimately God.

The Treasurer is involved in a range of duties and activities involved in the financial recording of the local church’s finances. Key responsibilities are outlined below:

1. Cash Counting

It is best practice to have at least two trusted unrelated individuals count the cash and cheques received each Sabbath morning, including the contents of tithe envelopes. These amounts are to be recorded on the Weekly Count Sheet Book before the money leaves the church grounds on Sabbath. Each offering count should be verified by two signatures.

2. Receipting

All cash and cheques received are to be receipted as soon as possible. The total receipted in a given week should be equal to the amount to be banked. Individual receipts are to be distributed to the givers on a regular basis in the manner the local church has agreed upon.

3. Banking

Church monies are to be deposited into the church's bank account within three business days after the weekend, as insurance only covers the funds until this time.

4. Accounts Payable

Invoices and reimbursements are to be paid for in a timely manner. Authorisation for the disbursing of church funds for church operation is generally given by way of the annual church budget. Special projects or items not included in the annual budget must be authorised by the Church Board or by a Church Business Meeting.

5. Record Keeping

Bank reconciliations for each of the local church's bank accounts are to be completed monthly. The Monthly Report of Tithes and Offerings, which shows the amount of non-local and local funds received within a given month, needs to be finalised, allowing the tithe and non-local offerings to be transferred to the Conference. A monthly GST report including relevant supporting documentation should also be finalised.

6. Financial Statements

Financial statements are to be prepared regularly and in a timely manner. They should include the balance status of all budgeted accounts, total funds received in tithes and offerings, a record of all disbursements made and the reconciled bank account balances. These reports should be regularly presented to the Church Board and Business Meeting.

7. Budgeting

In consultation with the Church Board and with the financial approval of a Church Business Meeting, it is recommended that the treasurer formulate an annual operating budget and capital budget. As part of this process, a capital commitments schedule for building, plant and equipment should also be included.

8. Asset Management

The church should regularly review its insurance coverage to ensure it provides adequate protection. The treasurer can assist with maintaining an up-to-date asset register for plant and equipment, ensuring it aligns with the items listed in the church's insurance policy.

9. Documentation

Treasury records, both physical and electronic, are to be stored securely and confidentiality. In addition, it is important to keep a current conflict of interest register and to implement an approved delegation policy.

Each of these areas of responsibility are explained in more detail later in this manual.

Segregation of Duties

“Segregation of duties simply means the assigning of different people the responsibilities of authorising transactions, recording transactions, and maintaining custody of assets. It is intended to reduce the opportunities to allow any person to be in a position to both perpetrate and conceal errors or fraud” — Australian Society of Accountants Audit Standards.

For the protection of the treasurer and the protection of church funds, it is recommended that, where possible, treasury duties be divided between more than one person of trust. As a principle, it is recommended that the treasury duties be divided along the following guidelines:

- a. Cash offering count is to be done in the presence of at least two unrelated people – may include the treasurer, assistant treasurer, deacons, Sabbath School secretary or elders.
- b. Receipting recommended to be processed by someone who has not counted the cash – the treasurer or an assistant treasurer.
- c. It is best practice for the individual who is doing the banking to not have counted or receipted the cash. It may be done by an assistant, elder or other trusted church member.
- d. Payments of expenses require two independent signatories (see Conflict of Interest section below).
- e. The bank reconciliation should be done where possible by someone who is not responsible for the receipting or banking (preferably not the one responsible for the banking).

In smaller churches, these duty segregations may be very difficult to achieve. However, the Church Board/Business Meeting is the final check on the Treasurer's function and it is the Board/Business personnel's duty to diligently review the Treasurer's financial report, ask searching questions, seek quality answers and then affirm the treasurer's report (including a bank reconciliation) by vote if they are satisfied with the whole report.

Conflict of Interest

The treasurer should always be aware that in the role of Treasurer, there could be conflicts of interest, or perceived conflicts of interest, in dealings with the Church Board, Business Meeting, or other members.

For example, a conflict of interest would exist where a member of the Church Board is a building contractor and quotes a price to the Church Board for the building of an extension. In that instance, the Board member should be excused from the meeting during discussions on price and comparisons with other quotes. The nature of the conflict of interest and the absenting of the board member/builder should both be minuted by the recording secretary.

Another example is where a church member is to receive reimbursement for an approved purchase, and is perchance a signatory to the church bank account. The member should not be the cheque or EFT signatory to any specific reimbursements made to him or herself. Where a member of the treasurer's family requires reimbursement for church supplies, it is considered best practice that the reimbursement be signed by two other signatories, neither of whom is the treasurer.

It is understood that in small churches where there may be only two or three signatories to the local church bank account, a conflict of interest is almost impossible to avoid. In those cases trust and openness is the only protection and defence.

“The key to handling conflict of interest is openness, transparency and strict adherence to the following:

- A statement should be made at the commencement of every meeting asking whether a conflict of interest needs to be declared.
- Anyone that has a conflict of interest should be removed from the meeting while that matter is discussed.
- A note should be placed in the minutes of the church board or business meeting outlining the conflict that has been disclosed or occurred and the conflict should be recorded in the conflict of interest register.”

Conflict of Interest Register

Each local church is to keep a conflict of interest register that outlines potential conflicts and the relevant action taken. A template conflict of interest register appears below. An editable copy is also available on the Treasury page of the Conference website for download.

Conflict of Interest Register

Name of Church _____

Name	Position	Date Interest Declared	Nature of Potential Conflict	Action Taken
Example - John Smith	Board Member	31/01/2025	John's building business is quoting on church hall extensions	John was requested to leave the board meeting while this matter was discussed

Finance Delegations

Delegation of Financial Authority means the authority delegated to positions for certain financial responsibilities and accountabilities as specified in the Local Church Finance delegations. Delegation of authority is the process of transferring responsibility for a task from the Church Board or Business Meeting to various appointed church officers.

Delegation is necessary in order for church officers and the finance team to achieve all required tasks in a timely manner. It gives the Church Board and Business Meeting the time and ability to focus on higher-level tasks.

Local Church Finance Delegations Policy

A template for local church finance delegations appears below. An editable copy is also available on the Treasury page of the Conference website for download.

Finance Delegations

Name of Church _____

The following authorities and powers are conferred by the aforementioned Seventh-day Adventist Church Business or Board Meeting.

Date of approval _____

No.	Category	Function	Delegate	Special Conditions
1.	Budget	AUTHORITY TO approve Annual Budget (including allocations to ministry and primary areas).	Church Board or Business Meeting	Drafted by Treasurer in consultation with Pastor and Head Elder then to Church Board or Business Meeting.
2.	Budget	AUTHORITY TO approve a variation to an annual allocation to a ministry and primary budget area.	Church Board or Business Meeting	
3.	Monthly Financial Reports	AUTHORITY TO approve Monthly Financial Reports	Church Board or Business Meeting	Drafted by Treasurer
4.	Bank Accounts	AUTHORITY TO approve opening and closing of bank accounts.	Church Board or Business Meeting	
5.	Investments	AUTHORITY TO APPROVE investments within the constraints of SDA church policy.	Church Board or Business Meeting	
6.	Financial Loans	AUTHORITY to APPROVE new loan facilities.	South Pacific Division SDA Church	Recommended by Local Church Board or Business Meeting to NNSW Conference to Australian Union Conference to South Pacific Division.

No.	Category	Function	Delegate	Special Conditions
7.	Financial Loans	AUTHORITY TO approve closing of loan accounts.	Church Board or Business Meeting	
8.	Loan or Hire of Rooms & Equipment	AUTHORITY TO establish a list of Church property and equipment for loan or hire to an outside organisation or person.	Church Board or Business Meeting	
9.	Loan or Hire of Rooms & Equipment	AUTHORITY TO approve the hire, terms and conditions for the loan or hire of rooms and equipment to outside organisations or person.	Treasurer or Facility Care Leader	
10.	Fees and Charges	AUTHORITY TO set fees, charges, sale price of Church goods and services (e.g. publications, meals) to church or non-church organisations and individuals	Treasurer or Facility Care Leader	
11.	Furniture & Equipment	AUTHORITY TO sell furniture and equipment	Church Board or Business Meeting	
12.	Fees and Charges	AUTHORITY TO apply fees, charges, sale price of Church goods and services for each request	Treasurer or church Admin Assistant	
13.	Taxation	Authority to liaise and submit information required by ATO	Treasurer	
14.	Taxation	Authority to approve church sub entities for GST purposes	Church Board or Business Meeting	
15.	Credit Cards	AUTHORITY TO approve issuance of credit cards to staff or volunteers for purchasing and/or travel.	Church Board or Business Meeting	
16.	Quotes and Tenders	AUTHORITY TO seek Quotations, Public Tender, Request for Proposal, Request for Information, or Expressions of Interest for individual capital projects, major goods and services.	Treasurer or Facilities Care Leader	
17.	Authorised Signatories	AUTHORITY TO approve a Schedule of Authorised Signatories (including signatory to Bank Accounts, electronic funds transfers).	Church Board or Business Meeting	
18.	General Expenditure	AUTHORITY TO order goods and services, make procurements and incur expenditure on behalf of the Church.	Ministry and Primary budget holder leaders	Within their budget allocated in the Annual Budget approved by the Church.
19.	Bad Debt WriteOff	AUTHORITY TO write-off of bad debts as irrecoverable and to adjust debtor accounts.	Church Board or Business Meeting	

No.	Category	Function	Delegate	Special Conditions
20.	Capital Projects	AUTHORITY TO incur expenditure for individual goods and services for capital projects	Treasurer or Facilities Care Leader	Total expenditure must be within the relevant allocation in the Capital Plan approved by the Church.
21.	Consultants	AUTHORITY TO approve engagement and payment of fees for Consultants.	Treasurer or Facilities Care Leader	Within the total budget allocated in the Annual Budget approved by the Church.
22.	Contractors	AUTHORITY TO approve engagement and payment of contractors.	Treasurer or Facilities Care Leader	Within the total budget allocated in the Annual Budget approved by the Church.
23.	Audit	AUTHORITY to liaise with conference appointed auditor, supply financial information, etc.	Treasurer	
24.	Staff	AUTHORITY TO add a staff position to the staff establishment.	Church Board or Business Meeting	Following recommendations from the Elders team.
25.	Staff	AUTHORITY TO recruit and appoint staff to a vacant position.	Elders team	
26.	Payroll	AUTHORITY TO incur expenditure for regular payment of payroll, including salary and wages, employee leave, superannuation, allowances.	Treasurer or Admin Assistant	Including the engagement of casual staff.
27.	Real Estate	AUTHORITY to buy or sell real estate property.	Australasian Conference Association Limited	Recommended by Local Church Board or Business Meeting to NNSW Conference to Australian Union Conference to South Pacific Division.
28.	Real Estate	AUTHORITY to act on behalf of the land owner, lodge development applications, consents, certificates, commercial leases, title registrations, etc.	Australasian Conference Association Limited	Recommended by Local Church Board or Business Meeting to NNSW Conference to Australian Union Conference to South Pacific Division.

Note: Delegations in red cannot be amended by Local Church Board or Business Meeting.

Section 2 — Treasury Administration

Methods of Reporting

There are two main reporting options available to the Local Church Treasurer. They are:

Adventist Church Accounting System (ACAS)

The SPD Adventist Church Accounting System (ACAS) is web based system designed to assist Local Church Treasury teams to complete all of the required recording and reporting functions online. Access to ACAS can be obtained by completing the ACAS New User form available from the Local Church Support Services Department. ACAS requires a personal individual email address (username) and password to login. Passwords are unique for each user and must not be shared.

Excel Spreadsheet

The Local Church Support Services Department can provide an Excel spreadsheet template for monthly financial reporting, which includes a bank reconciliation and GST report template.

Bank Accounts

Cash Management Facility

The Cash Management Facility (CMF) bank account is provided and operated by the South Pacific Division for the purpose of pooling denominational funds to optimise earning potential. Funds held in the CMF are available at all times.

Division CCMF Ltd operates one central bank account with Westpac. However, all communication about the CMF account must go through the Conference office, not directly with Westpac. This includes requests for stationery such as deposit books and business express deposit bags, as well as CMF online access.

CMF Online is online banking for CMF and is available to all churches with a CMF account. This service allows users to review transactions on their account, view statements and transfer funds electronically. Access to CMF Online can be obtained by completing a CMF Online Application form available from the Local Church Support Services Department. CMF Online requires a personal individual email address (username) and password to login. Passwords are unique for each user and must not be shared.

Each CMF account is assigned a unique six digit code. This code must be used when making any deposits to CMF – the deposit books supplied include this code. It is recommended to ask the bank teller to give you a printed receipt with the code on it to ensure that it has been recorded. Business Express Deposit bags, supplied by the Conference, may be used with an encoded deposit slip and a comprehensive analysis of cash and cheques deposited retained as proof of deposit. When depositing cheques into CMF, please ensure "Please pay Division CCMF Limited" is written on the back of the cheque. CMF requires notification, through the Conference, of any deposits of \$20,000 or more before 12.30pm on the day it is to occur. If a cash/cheque deposit is missing from your CMF account, please contact the Local Church Support Services Department and they will assist in identifying the transaction.

Interest income is distributed to each CMF account at the end of each month, having accrued on the daily balance of the account.

Expenses can be paid from your CMF account electronically using CMF Online. To use the payment feature, two local church signatories must have access to CMF Online. It is best practice to have at least three signatories listed, with any two to sign, keeping in mind the avoidance of real or perceived conflict of interest issues. The list of authorised users and signatories for the CMF account and CMF Online should be reviewed and updated regularly to ensure it remains current. All signatories should be Church Board/Business Meeting approved. Please note that for payments to be processed the same day, they must be second authorised in CMF Online by 2.30pm Monday to Thursday and 11.30am on Friday. Churches without CMF Online access can complete a payment details form and forward to the Conference Office to process on the church's behalf.

CMF bank statements will be available shortly after month end with all transactions up to the end of the month included.

Local Bank Account

In some cases, for operational convenience, the local church may wish to operate a second bank account (other than CMF) at a local bank branch. This account must be in the name of the local church and set up with a minimum of two unrelated signatories to change bank account details and to authorise payments. It is recommended to have at least three signatories listed on the account, keeping in mind the avoidance of real or perceived conflict of interest issues. The authorised signatories for this local bank account are to be Church Board/Business Meeting approved and reviewed and updated regularly to ensure they remain current. The treasurer should arrange for bank statements to be issued monthly, with the balance ending on the last day of the month.

It is recommended that the balance of the local bank be kept at a minimum. It can be replenished with transfers from the CMF account as needed. This creates maximum interest income earnings on the CMF account with good general stewardship of the funds.

Church Treasurer's Supplies

The Conference carries the following supplies for Local Church Treasury teams:

- Tithe envelopes
- Weekly Count Sheet books
- Receipt books
- Weekly Analysis pads
- Monthly report in Excel
- ACAS New User form
- CMF Online Application form
- CMF Deposit books
- CMF Business Express Deposit bags

Please contact the Local Church Support Services Department if you require any of the above.

Record Keeping

The treasurer is responsible for storing and archiving local church treasury records. Below is a recommended list of retention time frames for specific treasury items. Files to be preserved permanently may be kept in hard copy and/or electronically at the discretion of the Church Board/ Business Meeting.

Item	Time	Format
Audit Report / Papers	Permanent	Original
Bank Deposit Books	7 years	Original (<i>stub only</i>)
Bank Reconciliations	7 years	Original
Bank Statements	7 years	Original
Cheque Books	7 years	Original (<i>stub only</i>)
Correspondence	Permanent	Original
Financial Reports	7 years	Original
GST Claims	7 years	Original
Invoice from Supplier	7 years	Original / Copy
Legal Documents	Permanent	Original
Minutes of Meetings	Permanent	Original
Monthly Reports	7 years	Original
Plant & Equipment Register	5 years	Original
Receipt Books / Summaries	5 years	Original of Duplicates
Tithe Envelopes	3 years (<i>or until Audit</i>)	Original
Weekly Count Sheet Book	5 years	Original of Duplicates

The local church should provide storage space for physical church records that prevents unauthorised access and provides physical security that is fire, flood and vermin proof, lockable and preferably moisture-controlled. All physical documentation is to be properly organised. For example, tithe envelopes are to be filed in weekly order.

All electronic documentation must be properly organized, securely stored and regularly backed up. Files should be saved in designated folders with clear naming conventions, protected by strong passwords and accessible only to authorised individuals. Regular backups should be scheduled to prevent data loss.

Document destruction should always be deferred if litigation or investigation is anticipated. Physical documents of a confidential nature (e.g. personal information, reports) should only be disposed of by shredding - not discarded into a bin.

Section 3 — Transaction Processing – Income and Expenditure

Cash Counting

All cash is to be stored in a secure location before and after counting. Cash should always be in the care and custody of a responsible person and not left unattended or unsecured. Where cash is temporarily kept at the home of a responsible person it must be kept securely and out of sight inside the dwelling.

The Weekly Count Sheet book, provided by the Local Church Support Services Department, is to be used for all offering counts, including recording the content of the tithe envelopes. Each count should be signed or initialled by two authorised unrelated persons, such as deacons or treasury team members. Best practice is recording this information prior to the funds leaving the church, within 3 hours of collecting.

Any variation between written amount and content of the tithe envelope should be communicated with the donor at the earliest opportunity. All tithe envelopes should then be dated and filed by the treasurer in a secure place for a minimum of three years, or until audit.

On completion of the counting procedure each week, the original page of the Weekly Count Sheet book will be removed to go with the monies for banking and then filed appropriately after banking. The Weekly Count Sheet Book itself, with all duplicates, should remain in a secure place at the church, or if premises are rented, be held by the treasurer in a safe place. This duplicate would be used as the basis for any insurance claim should tithe funds be stolen or lost.

WEEKLY COUNT SHEET			
Church		Date	
OFFERING: Sabbath School			
Cash	\$100.00		
	\$50.00		
	\$20.00		
	\$10.00		
	\$5.00		
	\$2.00		
	\$1.00		
	\$0.50		
	\$0.20		
	\$0.10		
	\$0.05		
	Total		
Cheques	Total		
OFFERING TOTAL			
Name	Initials		
OFFERING: Church			
Cash	\$100.00		
	\$50.00		
	\$20.00		
	\$10.00		
	\$5.00		
	\$2.00		
	\$1.00		
	\$0.50		
	\$0.20		
	\$0.10		
	\$0.05		
	Total		
Cheques	Total		
OFFERING TOTAL			
Name	Initials		
OFFERING: Other			
Cash	\$100.00		
	\$50.00		
	\$20.00		
	\$10.00		
	\$5.00		
	\$2.00		
	\$1.00		
	\$0.50		
	\$0.20		
	\$0.10		
	\$0.05		
	Total		
Cheques	Total		
OFFERING TOTAL			
Name	Initials		
OFFERING: Tithe Envelopes			
Cash	\$100.00		
	\$50.00		
	\$20.00		
	\$10.00		
	\$5.00		
	\$2.00		
	\$1.00		
	\$0.50		
	\$0.20		
	\$0.10		
	\$0.05		
	Total		
Cheques	Total		
OFFERING TOTAL			
Name	Initials		
GRAND TOTAL			
This grand total must match the total cash count banking note			
Name: Initials:			
Name: Initials:			
TOTAL CASH COUNT			
Cash	\$100.00		
	\$50.00		
	\$20.00		
	\$10.00		
	\$5.00		
	\$2.00		
	\$1.00		
	\$0.50		
	\$0.20		
	\$0.10		
	\$0.05		
	Total		
Cheques	Total		
BANKING TOTAL			
This banking total must match the summary grand total			
Name: Initials:			
Name: Initials:			

Receipting Income

“Receipts should be issued promptly for all money received from members, no matter how small the amount, and a strict account of all receipts and payments should be kept by the treasurer” — Church Manual Ch.11 (Revisions 2016).

Every receipt must include the following elements: date, payee, details of donation, value of donation, name/signature of treasurer/assistant and sequential receipt number.

Receipts for bulk offerings should not be written to an individual's name, but to the position held. For example, record receipt to “Deacon” or “Sabbath School Secretary”, rather than “John Smith”.

Where the donor has not identified themselves, the giver should be recorded as “Anonymous”. All anonymous donations should be receipted individually. It is recommended that all anonymous amounts be listed individually in your local church bulletin, or acknowledged in some other church publication or on the noticeboard so the donor may have the opportunity to verify the donation.

If a minor error is made on a handwritten receipt, it may be crossed out and counter-initialled by the treasurer/assistant. Otherwise the whole receipt must be cancelled by writing “cancelled” across the face of the top receipt. The cancelled receipt must be retained in the receipt book.

Individual receipts are to be distributed to the givers on a regular basis in the manner the local church has agreed upon. Where donors continue to not collect previous receipts, it is the Treasurer’s responsibility to notify the donor of the habit and request that the donor retain the receipt for the purpose of confirming the treasurer’s receipting process.

The total amount recorded for the weekly cash receipts must match the total from the weekly count sheet.

When receipting any income, it is important to consider any applicable GST implications. Certain types of income may be subject to GST. For further information, refer to the Goods and Services Tax section.

Tithes and offerings received from the Conference

There are times when individuals pay money directly to the Conference, but wish for the funds to be recorded at their local church. In these instances the Conference acts as a clearing house and will forward the funds on to the local church for processing. In the majority of these instances there would be no need for the local church to issue a receipt to the original donor.

Tax Deductible Funds within NNSW Conference

Within the NNSW Conference, the following tax deductible funds are currently in operation:

- Adventist Community Services (ACS) Fund: This Conference tax deductible fund operates to assist people in necessitous circumstances.
- Religious Instruction in Government Schools: This Conference tax deductible fund operates to provide Religious Education in government schools in the State of NSW.
- Schools Building & Maintenance Fund: This Schools tax deductible fund operates to assist the funding of new school buildings and maintenance of existing school facilities.
- Scholarship Fund: This Schools tax deductible fund operates to provide funding for scholarships, bursaries or prizes that promote education.
- Library Fund: This Schools tax deductible fund operates to support programs that foster a lifelong love of learning and reading.

Local Churches can collect donations for these funds on behalf of NNSW Conference. As these funds attract tax deductibility, it is important that all donations are receipted promptly, particularly around 30 June, to ensure they are recorded in the correct financial year. Tax deductible receipts can be issued through ACAS. Online donations made via eGiving will automatically generate a tax deductible receipt for the donor.

ADRA Appeal Donations

For ADRA Appeal donations, refer to the instructions in the ADRA Appeal Treasurer Receipt book.

Other Auxiliary Organisations

For Auxiliary Funds that are not part of the regular Tithes & Offering stream, it is recommended that the Local Church Treasurer receipt and bank the monies into their local funds. Then pass on those funds by cheque or EFT to the Auxiliary Organisation.

“The funds of auxiliary organisations, often donations given for specific purposes, are ... held in trust by the treasurer, and they too may not be borrowed or in any way diverted by the treasurer or the board from the objective for which they were raised” — Church Manual Ch.11 (Revisions 2016).

Income Not To Be Received By Local Church

The following forms of income should not be accepted or receipted by the Local Church Treasurer, but should be passed on to the appropriate recipient or returned to the donor to be mailed to the appropriate recipient.

- a. Distributions from a trust or estate, even if the local church is the intended recipient. To meet legal parameters, these funds need to be sent to the Conference in the first instance. The Conference will then pass the funds back to the local church, or forward the funds onto the intended recipient.
- b. Distributions destined for ACA Ltd.
- c. Generally, any other distributions destined for a third party that requires a tax deductible receipt.



Conference Offering Calendar

Each year, the NNSW Conference publishes an Offering Calendar Booklet. This booklet contains the yearly offering calendar and information about each of the weekly offerings. It is available on the NNSW Conference website nsw.adventist.org.au. It is general church policy that all church groups, plants, companies and churches follow this program of giving. As a principle, all offerings are to be allocated with the publicly published or announced purpose. If a local church desires to collect an extra offering in addition to the scheduled offering, this is to be approved by the Church Board/Business Meeting.

Bank Deposits

"All church bank accounts are exclusively for church funds and are never to be combined with any personal account or funds." — Church Manual Ch.11 (Revisions 2016).

All church funds collected (local and non-local) should be deposited into a bank or financial institution account in the name of the church. Banking of the funds is to occur within three business days after it is received, or up to one month for regional/rural areas without a local bank.

It is best practice for the individual who is doing the banking to not have counted or receipted the cash. It may be done by an assistant, elder or other trusted church member. Common sense and caution is the best security for cash in transit from the church premises to the bank. If the amount of cash carried exceeds \$10,000, two responsible persons must accompany the deposit to the bank for the funds to be insured.

The weekly bank deposit is to agree with the weekly receipt total and the weekly count sheet total. In no circumstance should a weekly collection of tithes and offerings be banked net of any cash expenses paid out. If it is necessary to make reimbursement to an individual, then a local church cheque should be drawn, appropriately signed then included in the weekly banking to make up the amount paid out as a cash reimbursement. When the weekly collection is banked intact, it is easier to successfully complete the bank reconciliations.

Splitting deposits between the CMF Bank and a local bank account is not encouraged.



eGiving

Church members are encouraged to use the eGiving website, egiving.org.au, to make direct debit, credit card and BPAY donations, once off and recurring.

Local churches are able to choose which local income accounts are listed on eGiving and select one featured offering. The Local Church Support Services Department can assist with updating accounts on eGiving as required.

eGiving deposits are processed automatically for churches using ACAS. Non-ACAS churches will need to enter all eGiving deposits on the monthly report correctly allocating the funds between Conference and local church income.

Payments

Before making a payment from church funds, a tax invoice should be obtained. If a tax invoice is not available, a receipt or other documentation should be attained.

All local church expenditure should be authorised by the local church. The level of authorisation required for a payment will be determined by the type of expense. Local church expenditure can be classified into two groups:

- **Fixed costs** over which there is little or no control by the Board. These include electricity, water, council rates, building and contents insurance, music copyright licence, pest control and fire risk inspections. All these types of expenditure should be included in the approved annual church budget and would not need any further authorisation by the Church Board or Business Meeting during a financial year.
- **Variable costs** over which the Board has absolute or nearly absolute control. These include evangelism programmes, Sabbath School/Church supplies, equipment, kitchen supplies, general stationery, maintenance of plant & buildings (mostly) etc. Most of the anticipated variable costs should be carefully estimated and included in the annual church budget as approved by the

Business Meeting. Where significant expenditure has not been anticipated or included in the approved church budget, the Treasurer should seek authorisation from a Church Business Meeting before payment of the expenditure. When a particular department uses all of their allocated budget, any extension of the budget should be approved by the Church Business Meeting.

All church payments, whether cheque, EFT or BPAY, should require two bank account signatories. The first signatory confirms the expense is authorised, the validity of the payee and arranges the payment. The second signatory reviews the documentation, payee and amount to be paid. If a cheque payment, the second signatory should ensure that the amount written on the cheque and cheque butt agree. It is strongly advised that no signatory sign any payment until they have first sighted the supporting documentation authorising the payment.

All bank account signatories, including CMF and any other local account, should be approved by the Church Board or Business Meeting and recorded in the minutes. It is recommended that where feasible, signatories be members of the Church Board.

The treasurer is responsible for allocating expenditure to the appropriate local church expense account. When recording this expenditure, GST should be claimed where applicable and appropriate. For more details, refer to the Goods and Services Tax section.

Local churches are not permitted to pay any employees directly. All employee payments must be processed through the Conference office (See Section 6).

EFT and BPAY

CMF Online is available for EFT and BPAY payments from your CMF account. Two local church signatories are required to have access to the system.

Cheques

Access to books of blank cheques must be restricted to authorised persons. This prevents attempts at illegitimate payments by the forging of signatures.

The practice of pre-signing cheques is a high-risk activity and may lead to financial abuse. It is strongly discouraged.

Petty Cash

It is the local church's decision whether or not they wish to run a petty cash account. All risks need to be considered and evaluated. It is important to understand that cash kept on the premises of a church is not covered under insurance unless it is kept in a strong room or safe (See Section 7). By running a petty cash account, the local church accepts all risks involved.

Bank Card

At times, the local church may approve a trusted individual to be issued a local church debit or credit card to assist with managing expenses.

In such cases, a formal agreement should be signed between the local church and the cardholder. This agreement should include the terms of use, the responsibilities of the cardholder and the consequences of non-compliance. Cardholder responsibilities include using the card solely for approved church related expenses, collecting appropriate documentation for purchases and submitting this documentation to the treasury team promptly. A local church bank card agreement example is provided to the right.

All local church bank cards must be managed with the same level of accountability as a bank account and must be reconciled monthly.

Local Church Bank Card Agreement

North NSW Conference



At times the Local Church Board or Business Meeting will approve for a trusted individual to be issued a local church debit or credit card. This agreement is between a local church and an individual who has been granted a bank card from their local church.

Name of Cardholder: _____

Church: _____ Type of Card: _____

Cardholder Agreement

- ☐ I acknowledge that the Local Church Board/Business Meeting has approved for me to have this card.
- ☐ I agree to make purchases giving regard to a balance of quality and price that ensures that the purchases represent good stewardship.
- ☐ I agree that this card will only be used for approved church related expenses. No personal items for myself or others will be purchased using the Church's funds.
- ☐ I agree to collect a valid tax invoice for all purchases. A valid tax invoice has the words 'Tax Invoice', the ABN of the supplier and GST details if registered for GST. If a tax invoice is not available, I agree to collect a receipt to support any purchases made.
- ☐ If no tax invoice or proof of purchase is provided, I understand that I may be personally responsible for the entire expense.
- ☐ I will pass appropriate purchase documentation onto the Church Treasurer within a month of purchase, or earlier if requested.
- ☐ I will return the card to the Church Treasurer at the conclusion of my position/role.
- ☐ I acknowledge that this card can be suspended if I fail to submit all supporting documentation to the Church Treasurer.
- ☐ I understand that failure to comply with these terms will result in the Local Church Board/Business Meeting in its absolute discretion cancelling this card.

Signed by Cardholder: _____ Date: _____

Approved by the Local Church

The Church Board/Business Meeting has approved for a bank card to be issued to the cardholder listed above.

Name of Local Church Representative: _____

Signed: _____ Date: _____

Conference KCHURCH Current Account

The KCHURCH current account is an account through which the local church is charged for items by the Conference. These items include wages for local church employees, copyright charges, resource purchases and insurances. Some of these charges are received from third parties to be passed on to the churches.

The majority of charges on the KCHURCH current account are automatically paid via direct debit from the local church's CMF account. The Conference emails out invoices for these charges as they occur and monthly account statements at the end of the month. Any account queries should be directed to the Local Church Support Services Department.

The Conference maintains separate accounts for Adventurers and Pathfinders charges. Most of these charges are not processed via direct debit and require a manual payment.

Better Books and Food (BBF) accounts are to be paid directly to BBF unless otherwise arranged. Any account queries are to be directed to the BBF business centre on (02) 4977 2444.

Goods and Services Tax (GST)

Goods and Services Tax (GST) is a broad based tax of 10 per cent on most goods and services sold or consumed in Australia. The NSW Conference is registered with the Australian Tax Office for GST and submits regular BAS returns. The Conference ABN covers all local church GST issues. In this context, all local church GST issues are processed by the conference.

The Conference is also registered as a charitable institution. Churches are considered religious institutions by the Australian Tax Office. This status makes tax concessions available, including Income Tax exemption, FBT rebate and GST concessions.

The Conference, and by extension local churches, must include GST in the price of most goods and services they sell/provide (tithes and certain incomes are exempt). This GST on Income is referred to as GST Payable.

Further, the Conference, including local churches, can also claim GST credits for the GST included in the price of certain items it purchases. The GST on Expenses is referred to as GST Receivable.

Each Local Church is required to maintain accurate records of its GST Receivable and GST Payable accounts. These accounts are to be reconciled regularly and any discrepancies or outstanding items promptly addressed.

GST Receivable (GST on Expenses)

When a local church pays an expense, GST included in the payment can be claimed back provided a number of criteria are met:

1. The purchase includes GST (items such as fresh produce do not include GST)
2. The supplier has an ABN and is registered for GST (to check this visit abr.business.gov.au/)
3. A valid Tax Invoice is obtained from the supplier. A valid tax invoice must include the words "Tax Invoice", the suppliers name and ABN, date of the sale, description of what is sold and total price specifying what parts include GST.

GST cannot be claimed on residential properties even if the above criteria are met.

Local Churches are required to provide the Local Church Support Services Department valid tax invoices to support all items in the GST Receivable account to enable processing of the monthly GST report.

GST Payable (GST on Income)

Tithes and offerings collected by local churches are exempt from GST. All other income received is subject to GST, unless it falls under a GST concession available to charities and religious entities as outlined in the GST Act. These GST concessions include:

1. **Religious Service:** religious services provided by the church are exempt from GST provided those services are central to the practice of our religion. For a service to be GST-free under this exemption it has to be:

- A Service (and not a supply of goods such as bibles or lesson pamphlets)
- Provided by the church
- Integral to the practice of our religion

Note: a church camp is not exempt if it is mainly recreational

2. Non-commercial Supplies (i.e. not intended to make a profit): income received by the church can be exempt under this point if the money received is less than:

- 75% of the cost to provide the item, OR
- 50% of the market value (75% if accommodation).

3. Second-hand Goods: the sale of donated second-hand goods are GST free, provided there is no change in the character of the goods.

If a local church is applying a GST concession to a particular income, it must be clearly documented why the supply is GST free.

There are times when a local church is required to issue tax invoices for goods or services it provides. In this situation, the local church needs to ensure that the tax invoice has the appropriate information including the words "Tax Invoice", the words "Seventh-day Adventist Church North New South Wales Conference", local church's name, the Conference's ABN 42 885 958 158, date of sale, description of what has been sold and total price specifying what parts include GST.

Non-profit Sub-entities

For the purposes of simplifying GST claims, a Church can choose to treat a particular activity (e.g. Pathfinder Clubs, Adventurer Clubs) as a non-profit sub-entity. If the turnover of the sub-entity is less than \$150,000 per annum, it does not need to register for GST and is not required to charge GST on income. However, it cannot claim back GST on any of its purchases.

To be a non-profit sub-entity:

- A minute must be approved by the Church Board Meeting indicating the activity is treated as a non-profit sub-entity for GST purposes.
- The sub-entity must keep an independent accounting system/books.
- The sub-entity must be separately identifiable by the nature of its activities or by its location.

This GST section is written in conjunction with the GST advice received from Saward Dawson Chartered Accountants.

Section 4 — Budgeting and Reporting

Purpose of Financial Reports

Financial reports assist in decision-making and give an account of funds. For financial reports to be useful and beneficial in decision-making, they must be:

- Accurate
- Timely (up to date with current information)
- Logical and clear
- Complete (include all information).

If extremely accurate financial reports are produced but cover a period sometime in the past, then the out-of-date information is of limited use in the process of current decision-making. If the financial reports are completed very quickly but are inaccurate, then any decisions based on this data are likely to be flawed. Accuracy of financial data can be best achieved by establishing good internal controls at the transactional level, and ensuring that financial reports reconcile back to the bank statements.

Bank Reconciliations

Completing regular bank reconciliations are an important internal control function. This process identifies any differences between the bank statement balances and the total recorded church funds, serving as a final check on the accuracy or receipt, expense and other financial entries.

All bank accounts and any bank cards are to be reconciled monthly.

Only recent items should be outstanding on a bank reconciliation. Any older unreconciled items may require investigation.

Tips for Completing Bank Reconciliations

1. Ensure that the starting balances of your current bank statements are the same as the ending balances of your last month's reconciled bank statement.
2. Tick off any outstanding items from the last bank reconciliation.
3. Compare your payments recorded with payments listed on the bank statement. Payments not yet on the bank statement need to be included as outstanding on the bank reconciliation. Any discrepancies will need to be confirmed with the bank and relevant adjustments made.
4. Compare your deposits recorded with the bank statement. Deposits not yet on the bank statement need to be included as outstanding on the bank reconciliation. Any discrepancies will need to be confirmed with the bank and relevant adjustments made.
5. If there is interest, EFT deposits or bank charges on the bank statement and not in your report, they are required to be recorded. It is recommended that these amounts be recorded once they appear on your bank statement.

Monthly Reports to Conference

The Conference requires the treasurer to finalise the monthly report by the 15th of the following month.

Churches using ACAS for their reporting are required to:

- Complete monthly bank reconciliations for all accounts in ACAS
- Upload copies of local bank statements in ACAS
- Upload tax invoices to express payment entries to support GST receivable entries in ACAS
- Complete the Period Close process in ACAS

Churches not using ACAS for their reporting are required to submit the following documentation to the Local Church Support Services Department:

- Monthly report
- Monthly bank reconciliation and a copy of the local bank statement/s
- Copies of receipts and weekly analysis of receipts
- GST report with tax invoices to support GST receivable

Financial Reporting to the Local Church

“Reports of all funds received and disbursed should be presented at the regular business meetings of the church. A copy of these reports should be given to the leading officers” Church Manual Ch.11 (Revisions 2016).

It is important that the treasurer give sufficient opportunities, and encourage all members at the Business Meeting to ask questions and to seek assurances from the treasurer of good recording and reporting practices. Questions asked by church members are not necessarily a sign of distrust, but a seeking of assurance and a confirmation of the members trust in the treasurer.

On the vote at the Church Business Meeting, an affirmation is given on the financial report figures, which is effectively a sign off on the church’s financial income and expenditure report including the bank balance.

It may be preferable on some occasions, or even normal practice, for the financial reports to be discussed first at a prior Local Church Board Meeting, and then recommended to the Church Business Meeting. This allows for scrutiny, discussion of detail, and therefore support for the Treasurer from the Board members at the Business Meeting.

Frequency of Reporting

In the interest of “good governance” and of the expectations of “trust” that church members have placed in the treasurer, it is considered best practice to present up-to-date written financial reports to every Church Business Meeting. Quarterly financial reporting would be considered a minimum regular requirement.



Written monthly reports are recommended to be presented to Church Boards where church tithe exceeds \$200,000 per annum and whilst churches of any size is servicing debt.

If circumstances deem that the minimum recommended reports per year is not possible (exceptional circumstances), then a minute disclosing the reasons for not doing so should be recorded and voted on at the next Business Meeting.

Reporting Format

The format of the report presented to Board and Business Meetings is largely governed by the information requirements of the Church Members and the Board. The report should disclose the current financial status of the church's finance and be consistent with the monthly reports submitted to the Conference. The Board and Business Meeting members need sufficient information to make a value judgement on how best to allocate limited local church funds to achieve the church's objectives.

Financial reports should report on the following categories:

- Non-Local Funds - tithes and offerings that flow through the church financial records destined for higher organisations. These funds do not stay at the local church level. Examples include tithe, Sabbath School offerings and annual sacrifice offerings.
- Local Church Funds - funds destined for local church use. Income can be from offerings or fundraising activities. Expenditure of these funds occurs through approved church payments.

Where a budget is prepared and approved by the Church, the financial reports should include a comparison of actual local church income and expenditure with the 'year to date' proportion of the budget.

Financial reports should also include a summarised bank reconciliation report for all bank accounts.

If the local church has a loan facility, the financial reports should include updates on the loan account.

Churches using ACAS can include the following ACAS reports when presenting to the Church Board or Business Meeting:

- Monthly Report of Tithes and Offerings. This report shows the total income, local and non-local, for a particular month.

- **Funds Report.** This report gives an up-to-date picture of the local church's financial situation. It lists all departments/projects, the operations with each for the period selected and the balances at the end of the period.
- **Income & Expense Statement.** This report shows the annual budget, year-to-date budget, year-to-date actual and variance for income and expense accounts for the select period range. To use this report, the budget figures must first be imported to the accounts.
- **Bank Reconciliation/s.** This report shows the reconciliation between the bank statement balance and ledger balance and lists any unreconciled transactions.

Budgeting

"Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?" (Luke 14:28, NIV)

A very important part of financial planning in the local church is the formulation of an annual budget, which will indicate the sources of funding and provide authorised expenditure amounts for the various church departments and ministries. The annual budget provides a benchmark for tracking income and expenditure and important information for effective financial control to avoid overspending or unauthorised allocation of resources.

Advantages of a budget include:

- Provides knowledge of what the organisation can achieve with scarce resources
- Facilitates early detection of unwanted or unexpected trends with income or expenditure
- Assists in avoiding cost overruns with predetermined income and expenditure
- Provides department heads with a clear idea of their specific scope for activities and constraints in finance
- Reduces the need for day-to-day approvals or otherwise of expenditure requests
- Facilitates the planning for short- and long-term financial stability by putting aside funds for major repairs to building and equipment. The minimum funds required are 25% of total operating expenditure for 12 months plus 3% of the total insurable value of buildings and contents.

Preparing a Church Budget

There are several approaches to preparing a local church budget, including:

- Start with last year's budget figures and compare them to the actual income and expenditure achieved over that year. Then consult with the pastor and church officers, and adjust the proposed budget figures based on comparative activity and future promotions for each department.
- Alternatively, start with a zero base and build up an estimate of future income and expenditure based on anticipated income and planned activities of the church.

It is recommended to consider breaking income into two categories to help with budgeting:

- Income that is considered almost certain provided that the numbers and socio-economic mix of the membership remains fairly static.
- Income that is considered uncertain such as special fund raising ventures. Predictions in this area should always be conservative.

Likewise, it is suggested to consider breaking expenses into two main types:

- Fixed expenditure charges that arrive regularly and can be estimated with a fair degree of accuracy. For example, rates, insurance, electricity and cleaning.
- Variable expenditure that is generally activity related and may depend on participant numbers. For example, Pathfinders, Social Club and Evangelism. Consultation with the Church Board, the Pastor and Departmental Leaders is suggested for budget forecasting in this area.

Types of Budgets

It is recommended that the treasurer prepare an annual operating church budget for each department.

In addition, the treasurer should develop a capital budget along with a five year capital commitments schedule. This is an itemised plan outlining anticipated capital expenditures such as building projects, major equipment purchases or facility upgrades.

A sample capital commitments schedule is provided below. An editable version is also available on the Treasury page of the Conference website for download.

Capital Commitments Schedule

Name of Church _____

Item	Qty	Location	Category	<Yr1>	<Yr2>	<Yr3>	<Yr4>	<Yr5>
Aircon	1	Hall	Building				3,000	
Carpet	1	Church	Building					40,000
Sound Desk	1	Church	Audio Visual			5,000		
Paint	1	Foyer	Building	4,000				
Piano	1	Beginners	Furniture/ Equipment					500

Approval Process

"The budget should be presented to the church for its study and adoption ... to assure that funds shall be provided to balance the budget during the coming year." — Church Manual Ch.11 (Revisions 2016).

Once it has been formulated, the budget may, if necessary, be discussed by the Local Church Board and then recommended to the Local Church Business Meeting who then is able to adopt the annual budget.

Once approved, the budget is to be promptly communicated to all relevant departmental leaders.

Asset Management

Managing the local churches assets is an important task in which the local church treasurer can play a key role.

An up-to-date asset register for plant and equipment should be maintained by the local church. A sample asset register is provided below. An editable version is also available on the Treasury page of the Conference website for download.

Asset Register

Name of Church _____

Item	Qty	Location	Item Details (Make, Model, Serial No)	Year of Purchase	Value	Itemised on Insurance Listing	Expected Replacement Date
Sound desk	1	Church	Behringer X32	2022	\$3,500	Yes	2032
Seats	150	Church	Stackable Chair	2015	\$7,500	No	2040
Piano	1	Hall	Yamaha YUS3 Upright Piano	2020	\$19,000	Yes	2070

The church contents insurance cover should be reviewed every 12 months. This asset register should be regularly reviewed against the churches insurance coverage to ensure the insurance provides adequate protection.

Further, it is best practice for the church building insurance cover to be reviewed by a qualified consultant or builder every 5 years.

Section 5 — Local Church Audits

Reasons for Audits

“Every set of accounting records, from those of the local church to those of the General Conference, are subject to audit by auditors appointed for the purpose. This rule, which also applies to every denominationally affiliated institution, provides the maximum of safety in the handling of funds” — Church Manual Ch. 11 (Revisions 2016).

The business world considers audits as the “watchdog” of financial activity, not the “hound dog.” The watchdog is there to protect and assure the managers and the stake holders that all is okay. Church audits are designed for the same purpose. Those that handle money need to be protected from real temptation, from misunderstanding and from unsubstantiated rumours.

NNSW Conference’s Audit Procedure enables the Conference Treasury to identify function areas where assistance is needed and to discuss with local members particular issues that may affect the functions of the local treasury team in their financial reporting to the Local Church Board, the Business Meeting and to the Conference. An Audit for the Local Church provides opportunity for liaison and relationship building. It is intended to be informative and constructive in explanations of best practice policy and accurate report presentation. This process is not an act of mistrust, but rather a protection activity.

Every church member is an auditor in reality to support and affirm each other by ensuring there are adequate resources, foundations and fences to support those in responsible positions.

Internal controls, in both detection and prevention, protect the church assets, facilitate accurate recording of financial transactions and provide conditions for reliable reporting and efficient operations. Therefore, it is not an act of mistrust for a Treasurer to have one or more assistant treasurers in sharing the responsibility of receipting, banking, recording the income and expenditure, writing cheques or EFT payments, counter signing payments, cross checking by random sampling the offering counts and doing the bank reconciliations. In fact it is an act of building fences around those in trust positions to protect them from criticism and failure, and ensure data integrity. In small congregations where prevention controls are difficult to implement, detection controls will need to be more heavily relied upon.

In general most irregularities (theft, fraud) in the financial realm start off when three conditions come together. These conditions are:

- The opportunity to manage financial records and funds
- Observable controls to ensure accuracy and honesty are minimal or non-existent
- There is an individual’s need for additional funds for selfish purposes

Even if the church treasurer shows a lack of interest, or takes the role and responsibility for granted, it may lead to a weakening of his or her own expectations of professionalism as a guardian of Church funds.

Documentation Required for an Audit

The following documentation is required for a local church audit:

- Tithe envelopes
- Weekly count sheet book
- Bank deposit book/bank stamped slips
- Receipt books and weekly summaries, if used
- Tax invoices for GST payable, if any
- Supplier invoices
- Cheque books, if used
- Plant and equipment register
- Capital commitment schedule
- Bank statements for all bank accounts
- Authorised bank account signatures for each bank account
- Monthly reports including bank reconciliations for all bank accounts and GST reports
- Conflict of interest register
- Finance delegation policy
- Minutes of the Business and Board Meeting
- Financial reports to the Business/Board Meeting

Audit Field Questions

During a Local Church Audit, the treasurer will be required to respond to several questions regarding the local church's financial procedures, internal controls and compliance with NNSW Conference and Government policies. These questions are designed to assess the overall financial health of the local church. Key areas of focus include:

- Cash handling and receipting. Discuss the cash counting, banking and receipting processes, including how segregation of duties is maintained and GST compliance.
- Payments and expenses. Discuss the payment process, including adherence to approval protocols, proper documentation and GST compliance.
- Bank account signatories. Confirmation that bank signatories are current and approved.
- Bank Reconciliations. Review the bank reconciliations and ensure all outstanding items are current.
- GST Reconciliation. Review the GST accounts and GST report submissions.
- Reporting. Evaluation of how promptly and accurately monthly financial reports are submitted to the Conference and Church Board/Business Meetings.
- Budgeting process. Review the annual operating and capital budgeting process, including a 5 year preventive maintenance schedule for building, plant and equipment.
- Asset management. Provide evidence that insurance policies are regularly reviewed and provide adequate cover. Confirm that an up to date asset register is maintained for plant and equipment.
- Conflict of interest register. Verification that a conflict of interest register is maintained.

- Financial Delegation Policy. Verification that a financial delegation policy exists, is approved and is being followed.
- Church financial sustainability. Confirmation that the church meets the minimum sustainability requirements, including maintaining a financial reserve equivalent to 25% of annual operating expenses and 3% of the insured value of buildings and contents to fund repairs and replacement.
- Document Management. Review how church treasury records, both physical and electronic, are stored securely and confidentiality.
- Previous Audit Findings. Ensure that any previously identified issues have been addressed and resolved.
- Treasurer Training. Confirmation that the treasurer has attended a Conference Treasury Training course at least once every five years

Audit Report

After an Audit has taken place, a written report will be sent from the Conference to the Local Church Treasurer, Local Church Clerk and Pastor, identifying the strengths, adherence to, or any variation from best practice policy and any areas where training may be of benefit. This report is to be tabled at a Church Board meeting. In conjunction with the Church Treasurer, the Local Church Board should formulate a plan to address any variations from best practice policy and train up treasury staff as required.



Section 6 — Local Church Employees

Policy for Employment of Workers in the Local Church

All local church employees are to be paid through the Conference Office by the Seventh-day Adventist Church (NNSW Conference) Ltd. No wages or salary shall be paid directly to employees from local church funds as to do so is illegal and in breach of several statutory laws.

When churches employ workers such as cleaners, administrative assistants or Bible Workers, the NNSW Conference Human Resources department should be notified via an authority form. Once completed by the Pastor or Treasurer please return to the Conference office HR and they will then organise for an employment pack to be emailed to the employee to complete. Upon completion, the new employee will be added to the payroll system.

Payroll is processed on a fortnightly basis by NNSW Conference. Fortnightly wage and on-costs will be charged to the local churches current account with the total oncosted amount to be deducted from the local church CMF account on the Friday following pay week.

The local church is permitted pay workers who provide an invoice with a current and valid ABN. However there can be WorkCover implications depending on the situation. Please notify the NNSW Conference HR department if you are paying a contractor for work performed.

Salaries and Wages

All employees in Australia are covered by the National Employment Standards (NES) and must be paid in accordance with these standards. Wages and entitlements must meet the minimum rates and standards as outlined in the NES.

The NES can be viewed at: <https://www.fairwork.gov.au/employment-conditions/national-employment-standards>

All employees must be paid the minimum wage according to the Australian Fair Work Act. These minimum rates are published on the Fair Work Ombudsman website yearly. Increases occur on 1 July each year.

**NEW EMPLOYEE
AUTHORITY FORM**


Please complete all details - Receiving a payment is reliant on a signed form

Name _____ DOB _____
(if under 21)

Rate of Pay \$ _____ Level _____ Award _____

Dept/Church _____ Position _____
(e.g. Cleaner)

Start Date _____ Contract End Date _____

Additional Allowance/Claimable
(please specify type and amount e.g. mileage) _____

Employee Email _____

Employed as

☐ Full-time* - Automatically paid each fortnight, (38 hours per week)

☐ Part-time* - Please choose payment option below.

*Full and part-time employees are entitled to 4 weeks annual leave and 10 days sick leave each year.
Annual Leave Loading - payable ONLY if the employee is paid under an Award which has provision for such.

☐ Auto Paid _____ hours per week Regular automatic amount paid each fortnight - complete Roster

Roster (Indicate number of hours per day)

SUN	MON	TUES	WED	THU	FRI	TOTAL HOURS
_____	_____	_____	_____	_____	_____	0.00

☐ Casual - Timesheet (must be completed and sent in each fortnight)

Please allow for 4 weeks annual leave and 2 weeks personal leave and the superannuation contribution in your budgeting. Award rates may increase in July of each year.

Seventh-day Adventist Church - North New South Wales Conference
New Employee - Authority Form - Version 1 | August 2025

The Australian Tax Office (ATO) demands that any form of wages or salaries shall be recorded in standard format and income tax deducted if the amounts paid is in excess of their minimum levels. In any event, income summaries are updated on the recipient's account of such payments regardless of whether income tax is deducted or not.

State legislature requires that every employee or dependent contractor without an ABN must be covered by a Workers' Compensation policy based on the wages/salary and nature of the employment/contract. If a local church pays or remunerates someone directly, the local conference cannot cover any such employee or dependent contractor for any injury incurred whilst acting as an employee or dependent contractor. The Conference runs a special payroll for local church employees.

The government legislation dictates that an employer pays superannuation guarantee for its employees.

Employment Classification

Employers should notify their employees at the beginning of their employment if they are employed as casual or permanent workers.

Full & Part Time

Full time employees work an average of 38 hours per week and usually have ongoing employment.

There is no standard definition of part time work but it is usually defined as an employee who is engaged to work less than an average of 38 ordinary hours per week and whose hours of work are reasonably predictable, with a guaranteed minimum number of hours of work. Work is usually performed on regular days of the week. A part time employee will usually be entitled to the same employment conditions as a full time employee, but on a pro rata basis compared to the full time hours (usually 38 per week).

Full or part time workers are entitled to the minimum provisions as provided in the National Employment Standards or as specified by the relevant Awards, including:

- Maximum number of hours of work per week
- Paid annual (4 weeks) and personal (2 weeks) leave
- Public holidays
- Notice when they lose their job

For further clarification, view the documents at: <https://www.fairwork.gov.au/employment-conditions/awards>

Full and part time workers are also entitled to:

- Be paid at a higher rate of pay for public holidays worked but are not entitled to be paid for public holidays that they do not work
- Extra pay (penalty rates) for evening, night and weekend work
- A minimum length of shift as stipulated by the relevant award

Casual

There is no standard definition of casual work but usually they are positions that are temporary, have irregular hours and are not guaranteed to be ongoing.

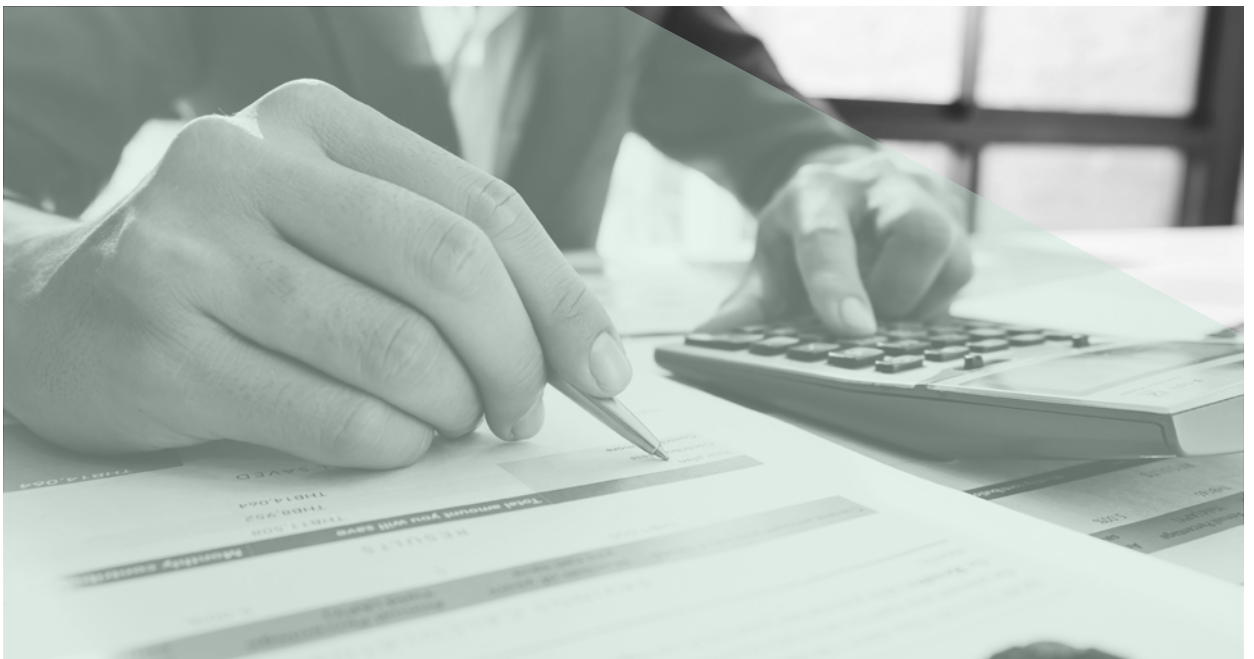
Casual workers are entitled to some, but not all, of the benefits given to permanent workers.

A 25% loading is paid to casual employee's to compensate for no paid leave (annual leave, sick leave) provisions that permanent employees are entitled to, as well as the insecurity of their employment. Under the new Fair Work laws, casuals are protected from being sacked unfairly.

Casual workers can request 12 months of unpaid parental leave if they have been working regular shifts in the same job for 12 months or more, and would have a reasonable expectation of ongoing work.

Casual workers are entitled to:

- Be paid at a higher rate of pay for public holidays worked but are not entitled to be paid for public holidays that they do not work
- Extra pay (penalty rates) for evening, night and weekend work
- The same rest breaks as permanent workers, including at least 30 minute unpaid break for every five hours of work
- A minimum length of shift as stipulated by the relevant award



Section 7 — Risk Management – Insurance

Risk Management Service

Risk Management Service (RMS) is a dedicated service department of the South Pacific Division established to assist the Church manage risks and take advantage of opportunities. This includes administering the Church's insurance program. It is important to note that it is not an insurance company or an insurance agent or broker, but a service exclusively for the Adventist Church.

Local Churches are able to access RMS for most of their insurance requirements including:

- Property (including cash)
- Extra Risks
- Public Liability
- Personal Accident
- Short-term travel
- And many more!

Some of these covers are briefly explained below.

Further up-to-date information and forms about these covers are available on the RMS website or by contacting RMS directly:

Risk Management Service

Web: rms.org.au

Phone: (02) 9847 3375

Email: info@rms.org.au

Address: 148 Fox Valley Road (Locked Bag 2014), Wahroonga NSW 2076

IMPORTANT – THE INFORMATION PROVIDED IN THIS DOCUMENT IS A GENERAL SNAPSHOT ONLY. IN THE EVENT OF A CLAIM THE FULL POLICY WORDING IN FORCE AT THE TIME OF INJURY OR LOSS WILL APPLY.

Property

The physical property of a church is often critical to their mission as it accommodates almost all of their ministry activities. It also represents a large financial investment and commitment.

Not surprisingly then it is essential to have property cover for all property owned by the church as well as any property that the church is responsible for. RMS administers property cover for all churches within NNSW Conference.

The type of property that can generally be covered includes:

- buildings,
- the contents kept securely in buildings (such as furniture, plant & equipment), and
- site improvements such as fences, swimming pools, shade sails, landscaping, retaining walls, etc.

Churches must ensure that all buildings and site improvements are separately listed on the property certificate issued by RMS. Each building should have a separate contents item on the property certificate but it is not necessary to list each individual piece of furniture or equipment.

A Confirmation of Cover and Tax Invoice is circulated yearly and this serves as a good reminder to check that all property is adequately covered, and items no longer owned by the church are not included. You should contact RMS with requests to add or remove items, this can be done at any time during the year.

There are some types of property that are not covered by Property Cover, but cover can be arranged by RMS on request, such as:

- Property undergoing construction, alteration or addition. Special construction cover can be arranged - please contact RMS for further information.
- Property while in transit.
- Portable items while being moved or while offsite. Extra Risks cover can provide additional protection for portable items (e.g. Laptops, Projectors)
- Low-value trailers registered to travel on public roads need to be listed as an Extra Risks item.
- Motor vehicles and custom/high value trailers (e.g. mobile kitchens with significant fit out) registered to travel on public roads need to have comprehensive motor cover, which can be arranged through RMS on request.

Maintenance of Property

As mentioned previously, church properties aren't just assets; they're places of worship, service and community engagement. So when a site falls into disrepair, it sends a message; both to insurers and to the people who walk through its doors.

Well-maintained properties are better protected against avoidable loss which means they experience cost savings and more time dedicated to ministry. Sites that show signs of neglect are considered higher risk, leading to increased claims costs, unsuccessful claims or, in extreme cases, difficulty obtaining cover and long-term ministry disruption.

It is for these reasons that RMS urges church boards to actively promote the local church offering so that greater investment can be planned for site upkeep to support ministry resilience and success. Increasing budget allocations for maintenance, renovations and repairs, regular cleaning and garden care isn't just advisable – it's essential.

Types of Damage Covered

Property cover responds to unexpected loss or damage from a number of insurable events or perils. Common perils include:

- fire
- flood
- storm
- earthquake
- vandalism
- burglary
- fusion
- impact by vehicles and falling trees that cause damage to property.

What is NOT Covered? Damage or loss resulting directly or indirectly from the following perils or events is not covered:

- Water from or action by the sea, tidal wave, high water.
- Erosion, subsidence, earth movement or collapse resulting therefrom.
- War and associated perils.
- Machinery breakdown, malfunction or failure.
- Radioactivity and contamination from nuclear waste, nuclear weapons materials.
- Moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operation (other than sudden and unforeseen damage resulting therefrom)
- Wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good.

For further information please contact RMS.

Cash

Cash cover is automatically included with contents cover for your church. Care should be taken to check that your contents cover amount is sufficient to include all regular contents plus the maximum amount of cash held or transited at any one time.

Cash is a valuable asset that can be lost, stolen or destroyed by fire. It is expected that a Church will reduce the risk of cash loss through the following security provisions. Failure to exercise these basic security provisions may prevent or limit the reimbursement of any cash loss by RMS or the Church's insurers.

Keep Cash Secure

Cash should always be in the care and custody of a responsible person and not left unattended or unsecured. Where cash is temporarily kept at the home of a responsible person it must be kept securely and out of sight inside the dwelling.

Bank Cash As Soon As Possible

Cash should be deposited in the bank on the day it is received or, where that is not possible, within three business days after it is received, or up to one month for regional/rural areas without a local bank. Encourage the use of e-giving or other electronic methods of giving to avoid carrying cash where a local bank is not available.

Carry Cash Carefully

- Carriage of cash, wherever possible, should be undertaken by two responsible persons. If more than AUD\$10,000 is being carried it is a requirement that two responsible persons be involved.
- Cash should be carried directly from one location to another.
- Vary the times, routes and persons used to carry cash.

Cash Must Be Kept In A Safe

While cash is at the premises of a church it must be kept in a locked strong room or safe designed for the protection of cash or under the direct control of a responsible person. Filing cabinets, cupboards, cash drawers, tins, tithe boxes or other similar containers do not qualify as cash safes and cash left unattended in such items is not covered.

- Safe and/or strongroom keys must not be left unattended on the church premises except for spare keys locked in the safe or strongroom to which such keys apply.
- Where possible build the safe into the building or firmly bolt it to a brick or concrete wall or floor.
- Bank often so that only the minimum amount of cash needed is in the safe.

Accountability

Issue receipts and ensure all accounts fall under the general accounting and auditing structure of the organisation.

Notify Police Immediately And RMS As Soon As Practicable

In the event of a cash loss you must notify the police immediately. Once you've obtained a police report number contact RMS as soon as possible.

Important!

NO COVER for criminal acts of employees or other responsible persons.

NO COVER for cash held in trust for other organisations or persons such as employees and volunteers.

NO COVER for cash left unattended in a vehicle, locked or otherwise.

NO COVER for cash posted in the mail.

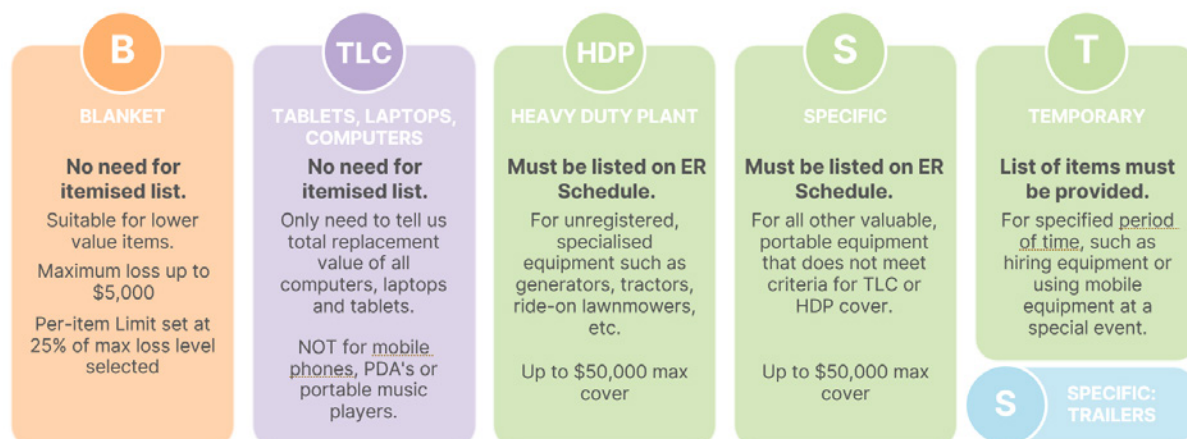
Extra Risks

Extra Risks cover responds when equipment is accidentally damaged or lost or stolen when taken outside of a secure building or offsite to another location. Contents cover does not cover the church against these two risks. If your church has equipment that is moved around or taken offsite regularly then you should consider Extra Risks cover. It is the local church's responsibility to organise Extra Risks cover as needed.

Extra Risks cover can be arranged for almost any item of equipment owned by a church organisation. It can also be arranged for non-owned items of equipment that the church organisation borrows or hires.

Types of Cover

There are five types of extra risk cover available. You can mix and match to purchase the protection required.



1. Blanket Cover
 - a. Provides Extra Risks cover without the need to specify each item of equipment.
 - b. Suitable for lower value items as maximum loss up to \$5000 with a per-item limit set at 25% of maximum loss level selected.
 - c. Can only be used to cover equipment owned by the church.
2. Tablets, Laptops and Computers (TLC)

TLC Cover is the only type of cover available for tablets, laptops and computers.

 - a. Only need to tell RMS the total replacement value of all tablets, laptops and computers
 - b. No need to provide an itemised list
 - c. Not for mobile phones, PDA's or portable music players.
3. Heavy Duty Plant (HDP)
 - a. For unregistered, specialised equipment such as generators, tractors, ride-on lawnmowers, etc.
 - b. Up to max \$50,000 cover per item.
4. Specific Cover
 - a. For all other valuable, portable equipment that does not meet criteria for TLC or HDP Cover.
 - b. Must be specifically listed on the Extra Risks schedule.
5. Temporary
 - a. A list of items must be provided along with start and end dates for cover.

There are some exclusions to the cover - please contact RMS for further information. Or visit their website to download the Extra Risks Cover Factsheet: <https://rms.org.au/covers/extra-risks/>

In the Event of a Property Loss

In the event of loss, or damage, or an incident occurs that is likely to cause loss, you should follow the steps outlined below:

1. Notify RMS immediately of any loss or any event that might lead to a loss.

Reporting too late could affect the success of a claim. You can report the loss or potential loss through these channels:

- Fill in the online loss notification: <https://rms.org.au/forms/online-loss-notification/>
- Email: claims@rms.org.au
- Tel: + 61 2 9847 3375 or Freecall within Australia – 1800 818 863

2. Take all reasonable precautions to prevent further loss.

Never place yourself or others in danger, but if it is safe to do so take steps to limit the loss and keep the area around the loss safe. If you need help please do not hesitate to contact us.

3. Notify the police or other relevant authorities of any criminal activity.

If the loss involves vandalism, burglary, theft or any other illegal activity always obtain a police report as RMS or insurers may require you to provide a copy.

4. Don't dispose of any damaged items without asking us.

The insurer or loss adjusters may need to inspect the items to complete their assessment so please store it safely until we tell you that it is no longer required or the loss is finalised.

5. Take some photos.

If it is safe to do so, please take some photos of the damage or loss as they may assist RMS or insurers with the assessment of the loss.

6. Obtain and keep all invoices and quotes related to the loss.

RMS and insurers will nearly always require quotes and invoices before paying for any loss. If you anticipate any difficulty in obtaining quotes or invoices please contact us to discuss your situation.

Public Liability

Like most organisations, the Seventh-day Adventist Church has Public Liability Insurance. If you are asked for proof of Public Liability, you can apply online and a certificate will be emailed to you within 3 business days. Please note that RMS can only issue a certificate for activities that have been approved by the relevant board or management committee. In some cases, particularly for higher-risk activities, a board-approved risk assessment is also required. While low-risk activities may not need formal approval of a risk assessment, we still expect organisers to complete one as part of good planning and risk management.

The web address to request a proof of cover certificate is: <https://rms.org.au/forms/request-a-public-liability-certificate/>

Hiring our buildings to other organisations

When Church-owned* buildings and facilities are hired or loaned to other organisations (hirer) the hirer must have adequate public liability insurance (minimum \$5m). Hirers should be asked to provide an endorsement to their insurance policy naming the appropriate Church legal entity as a co-insured for the purposes of the hire/loan. This will protect the Church from vicarious liability for incidents arising out of the negligent acts of the hirer.

This procedure is normal business practice and should not be regarded as unreasonable. For clarity, it is not necessary to ask for proof of public liability insurance when hiring buildings to family groups or other official Seventh-day Adventist Church organisations. All other groups should be expected to have their own public liability cover.

* Church-Owned buildings and facilities include Seventh-day Adventist Church-owned schools, churches, halls, offices, campgrounds and other facilities owned by an SDA Church organisation.

Personal Accident

Personal Accident insurance may provide some financial support to injured persons when they suffer an accidental injury.

Cover is for

- Authorised volunteers (aged up to 90 years and cover reduces from age 75)
- Registered Pathfinders attending authorised Pathfinder activities.
- Registered Adventurers, including parents required to accompany their own children, attending authorised Adventurer activities.

It does not provide cover for participants at Church social and sporting activities except for the volunteers running those activities.

If a volunteer is injured, ensure that an incident report is completed and sent to the Conference office. This helps provide evidence if a claim should eventuate.

The cost of cover is shared among churches via the Conference, based on the size of each church's membership and the number of Pathfinders and Adventurers enrolled.

IMPORTANT

This is a general snapshot only. In the event of a claim the full policy wording in force at the time of injury will apply.

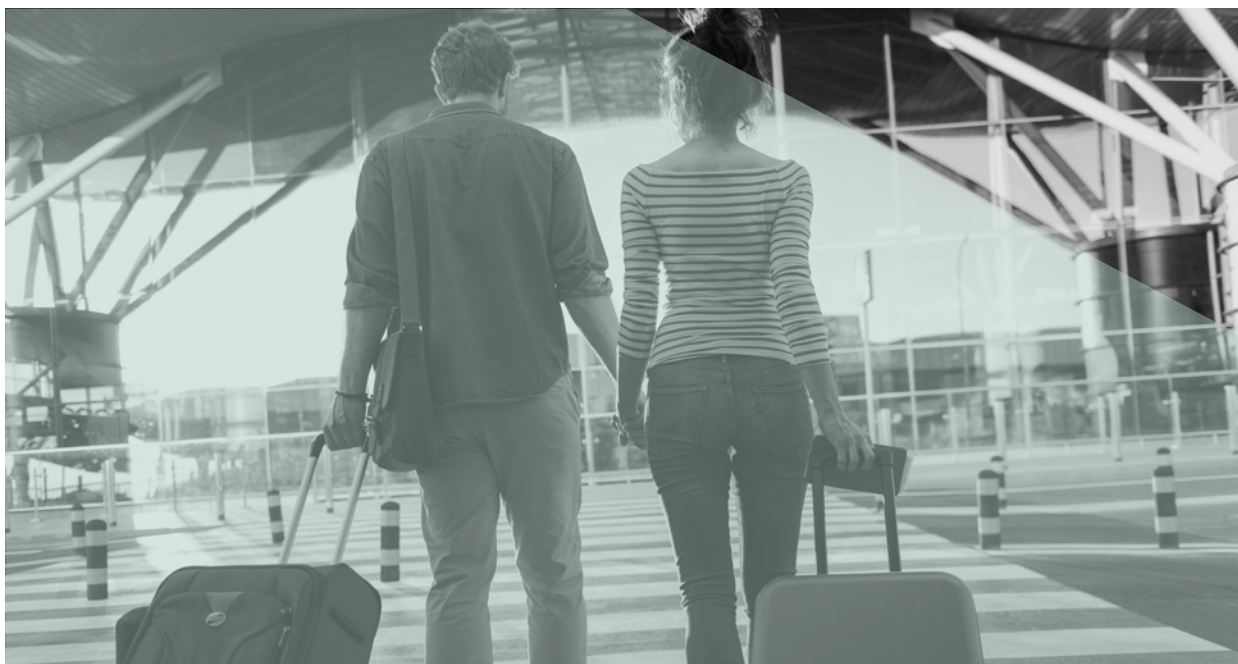
Short-term Travel Cover

Short-term Travel (STT) Cover can be used by church employees, members, volunteers and their accompanying spouse and dependent children for travel on approved Seventh-day Adventist Church business or activities. The church organisation approving the travel must be part of the South Pacific Division.

STT can be used for international travel (some restrictions may apply) and for Australian residents travelling interstate within Australia.

Cover is not automatic and each person travelling must complete an application form each time they travel. You can apply online via <https://rms.org.au/forms/short-term-travel-online-application-form/>

A summary of the terms and conditions of cover is available from RMS. It is important to take time to read this document and if you have any questions please contact RMS for clarification.



Section 8 — Funds for Church Growth and Safety

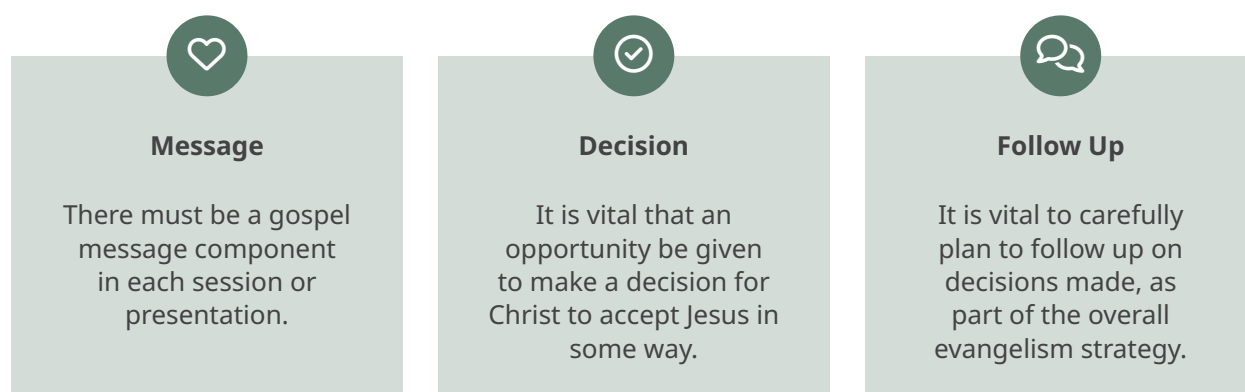
Evangelism Funds

Conference evangelism funds are offered to local churches of the NSW Conference to support **intentionally evangelistic** projects.

It is important to note that grants may be approved for up to **75% of the total project costs**. The local church must demonstrate that they have 'skin in the game' by contributing a minimum of 25% of all project costs. **Receipts must be shown for these expenses** as well as expenses you are claiming.

It is also important to note that Evangelism funds **will not reimburse the GST** amount, seeing as individual churches can **claim this back in the monthly GST report**.

All programs must demonstrate the following aspects to qualify for funding



Types of Programs Funded

- Bible-based outreach, such as:
 - Public evangelism
 - Seminars (i.e. Daniel, Revelation)
 - Bible study lessons
 - Video evangelism
 - Small group evangelism
 - Digital evangelism
 - Social media evangelism
- Signs outreach and ministry
- Global mission projects
- Children's evangelism

Conference administration will consider all requests that fall outside these examples on their individual merits.

Types of Programs no longer approved

- Proposals from schools or universities
- Bible workers and local mission volunteers

Types of Programs that may not be approved

- Family Seminars
- Health Seminars
- Written and audiovisual resources for outreach produced by Non Adventists
- Concerts
- Displays at shows
- Welfare programs
- Special Religious Education (SRE) in schools
- The purchase of sound, computer or video equipment. Local church funds support these.

Projects that do not directly gain decisions for Christ must demonstrate a step-by-step plan that will lead to decisions in order for funding to be approved.

Applying for Funds

Step 1

Lodge an *Evangelism Funds Proposal* with the Evangelism department at any time throughout the year.

- You should receive a response within fifteen business days from the date your funding application was received.
- Proposals will be considered based on merit, how much funding has been given to your church in recent years, and the amount of funds already promised out for the year.
- If you require 50% of approved funds before you begin your project, please clearly state this in the proposal form. Your church will receive these funds into your church account to be used for this project. After your program, you may then claim the rest of the approved funds, keeping in mind that if less is spent in the project, we can still only provide up to 75% of all project costs.

Step 2

AFTER your proposal has been approved, pay for evangelism efforts from the local church bank account and save all invoices – including those you want reimbursed as well as those to show you have put in 25% of project expenses.

- Highlight the pre-GST amount, as reimbursements will not include the GST amount.
- Please do not send invoices for us to pay. Please pay first and we reimburse in the next step.
- Please do not send invoices in one by one – they must all be together in step 3.

Step 3

- After the Evangelistic effort is finished and paid for, lodge a 'Claim for Evangelism Funding' form with all invoices attached – including those you want reimbursed as well as those to show you have put in 25% of project expenses.
- Send completed form to Kate Garriga at: kategarriga@adventist.org.au

- Claims based on actual expenditure incurred can be made to the Evangelism Department **no later than 2 months** after the end of the program date you specify on the proposal. If your claim date is close to June 30, please try to send in paperwork by June 15.

It is not incumbent on Evangelism Department to remind you to submit your claim and receipts by the deadline.

General Information

- The maximum amount of evangelism funding an individual church may receive in any 12 month period is \$40,000.
- Approved grants may be provided up to a maximum of 75% of the total project costs.
- Please notify the Evangelism department if your church does not end up using the approved funds. This is so that the funds can be reallocated to other churches and/or projects.
- Up to 50% of your project's budget can be forwarded to you in advance. First come, first allocated, until unavailable.

FAQs

Q. What should we do if our funding application is approved but we decide we need to change our plans for the use of the funds?

A. If the new direction of your project is still evangelistic in nature, your claim for funds are likely to be approved, but please contact the evangelism department for authorisation:
phone: (02) 4951 8088, email: kategarriga@adventist.org.au.

Q. Can we apply for funding for seed sowing ministries?

A. Yes if seeds are being sown and if the ministry is intentionally evangelistic, has a spiritual component, and is being used to invite people to a Bible-based ministry.

Further information

For further information, please contact the NNSW Conference Evangelism department.

Church Building Grants & Small Church Loans (NNSW Conference)

Local churches within the NNSW Conference may apply for grants to support building development projects.

The grants available are:

- | | |
|---|-----------|
| 1. Establishment, Relocation or Rebuild of a Church
10% of building cost up to a maximum grant of | \$180,000 |
| 2. Supplementary Building eg. church hall
20% of building cost up to a maximum grant of | \$100,000 |
| 3. Renovation of Church or Other Building
20% of building cost up to a maximum grant of | \$60,000 |
| 4. Approved Church Signage
25% of cost of Signage up to a Maximum grant of | \$5,000 |
| 5. Small & Medium Church Building Insurance Valuation
80% of cost of QS report up to a maximum grant of
(Small & Medium Church is where annual Tithe < \$250,000) | \$1,000 |
| 6. Small & Medium Church Solar Power or Refurbishment Loan
80% of cost up to a maximum loan of maximum term 5 yrs,
Interest 0.5% below Westpac church building rate.
(Small & Medium Church is where annual Tithe < \$250,000) | \$20,000 |

Please note that all grants will be calculated based on the ex-GST expense amount.

Application Process

A formal application for funding from the Church Board should be emailed to the Local Church Support Services department at nswlcass@adventist.org.au.

The application should include the following components:

- A clear outline of the proposed project.
- A detailed explanation of the need for financial assistance.
- A description of how the local church intends to fund its portion of the project, including any request for a loan facility.
- An explanation of how the proposal aligns with and supports the strategic mission of the church in terms of membership growth and quality of services to the community.
- At least two quotes of the proposed project.
- Details of funding already received or anticipated from other sources, together with a breakdown of all relevant project expenditures, and the exact amount of funding being requested from the NNSW Conference

Applications for funding should be made before the project has commenced.

Conference Administration and in the case of large projects the Conference Executive Committee will review each application and provide grants where possible based on the availability of funds and the demonstrated needs.

Claim Process

When the Local Church is ready to claim their funds, they should email the Local Church Support Services department at nswlcsc@adventist.org.au.

The claim for funds request is to include original project approval correspondence and the relevant tax invoices to support the expenditure.

Claims are to be submitted within 12 months of the application or a new application will be required.



Local Church Loans

1. Loans shall be available for:
 - a. the purchase or construction of a building (including initial furnishings) that will be used whole or in part as the church's regular worship facility.
 - b. Additions to, reconstructions of, or major renovations to existing local church buildings.
 - c. The purchase of land that will be used for the building of a church.
2. Loan Criteria
 - a. The loan will not exceed 50% of the entire cost of purchase and/or construction of the church. For extensions or major renovations of existing churches it will not exceed 50% of the current market value of the property. This amount may be increased to up to 75% when:
 - i. It is for the purchase of "commercial property" that will be used as a church facility and will not be altered in such a way to have its resale value affected negatively on the open market, or
 - ii. The conference is satisfied on the church's ability to afford the repayments and the loan does not exceed 75% of the resale value of the property to be sold within one year on the open market. To determine the estimated resale value, when an external valuation is to be obtained, a valuation from a credible source shall be obtained.
 - b. The annual church loan repayments cannot exceed:
 - i. 40% of the average annual tithe for the church, calculated on receipts over the most recent two-year period (the calculation can include tithe attributable to denominational employees who are members of the church) plus
 - ii. 80% of any property's net lease income that is derived from leases with a term greater than one year,
 - iii. any denominational appropriations for loan repayments that are committed for at least half the term of the loan.
 - c. The title to the land is in the name of the Division approved legal entity which has been established to hold denominational property in trust.
 - i. In Australia the title documents shall be lodged with Australasian Conference Association Limited.
 - ii. In New Zealand the titles shall be lodged with Seventh-day Adventist Church Property Trustee (NZ) Limited.
 - iii. In union missions the original title documents shall be forwarded to the ACA for safe-keeping with a copy being retained by the local association.
 - d. The buildings for which the loan is granted are covered at replacement value for fire and other risks with the Risk Management Service of the Division.
 - e. Floor, site and financial plans, are referred to the appropriate building committee for careful study and approval before the loan is authorised or building operations are commenced. (Refer policy, Building Projects.)
 - f. Local churches shall be expected to utilise their own local church funds before drawing loan funds under this policy.
 - g. The church has met the provisions of Policy FIN.50.60 Financing of Church Buildings.

3. Application Procedure

The church requesting a loan under this policy shall use the church loan application form and include the following information:

- a.
 - i. An estimate of the cost of the project at the date of the application.
 - ii. The proposed date of commencement and the expected time to complete the project
 - iii. The expected increases in costs of labour and materials and the basis on which the increases were estimated.
 - iv. The final estimated cost with the amount, if any, included for contingencies shown as a separate item. The project cost shall include:
 - (a) cost of building materials;
 - (b) cost of skilled labour;
 - (c) cost of initial furnishings;
 - (d) cost of landscaping, parking facilities and fencing, but the value of the land shall not be included. In the case of additional buildings and/or extensions to existing buildings on property already owned and occupied, and/or the reconstruction of buildings, the value of land and existing buildings shall not be included in the calculations.
 - vi. A declaration of the amount of cash and readily convertible assets set aside for the project, and on hand at the date of the application.
 - vii. The percentage of this amount to the final estimated cost.
 - viii. A church financial statement showing.
 - (a) analysis of actual receipts and disbursements for the immediately preceding two years.
 - (b) budget for the current year and actual "year to date."
 - (c) a budget forecast on how the debt will be repaid.
 - (d) The method of raising the finance if significantly greater than the church income including details on any lease income generated by the property.
- b. The application shall be signed by the church pastor or senior elder and the church treasurer following approval and action of the church business meeting. A copy of this business meeting action shall accompany the loan application.
- c. In passing on loan requests with their recommendation to the union conference, each local conference shall accept the terms of this policy and the resulting obligations. Union conferences similarly shall accept the obligations of the policy when they approve loans and advise the loan fund accordingly.
- d. The local conference concerned, and in turn the relevant union conference, shall countersign the application, a copy of which is to be forwarded to the Division Investment and Financial Services Manager as soon as the loan request receives the endorsement of the union conference. The endorsement indicates that:
 - i. all policy requirements have been complied with;
 - ii. the executive committee has studied and approved the request, and
 - iii. the guarantee obligations have been accepted.
- e. In passing on loan requests with their recommendation, each local conference shall accept the terms of this policy and the resulting obligations.
- f. Union conferences similarly shall accept the obligations of the policy when they approve loans and advise the loan fund manager accordingly.

4. Division Loan Fund Terms

(Specific conditions for the Division Loan Fund are contained in the Division Financial Services Policy)

- a. Conferences and churches shall be encouraged to liquidate their indebtedness under this policy as quickly as possible by means of special repayments from time to time.
- b. Loans from the Division Loan Fund shall normally be repayable by equal monthly or quarterly instalments of both principal and interest over a period of not more than ten years, by automatic debit to the church account in the Cash Management Facility on the last day of each repayment period following the quarter/month in which the loan is taken up or final progress payment made. Where there is a change in interest rate during the term of the loan, the instalment amount may be varied accordingly.
- c. Bridging loans shall stipulate a term which shall not exceed the lesser of two years from the date of the initial drawdown or eighteen months from the date of the last drawdown of the loan. A schedule of repayments shall be submitted for such loans by the time of the last drawdown on the loan.
- d. While the loan is made directly to the local church, the local and union conferences concerned shall guarantee the repayment of the principal and interest to the Division Services Loan Fund. Should a church default in repayment, or not have sufficient funds in its Cash Management Facility account to meet the repayment instalment, the Loan Fund may transfer the outstanding amount (including all interest accrued) to the debit of the Cash Management Facility accounts of the local or union conference at the discretion of the Loan Fund. In such case the Loan Fund shall immediately forward full details in writing to the union and local conference.
- e. Interest shall be charged at a rate determined from time to time by Division CCMF Limited.
- f. *Guarantor details.* When the loan is made directly to the local church, the local conference shall be the primary guarantor for the repayment of the principal and interest to Division CCMF Limited. Should an organisation default in repayment, or not have sufficient funds in its Cash Management Facility account to meet the repayment instalment, the Loan Fund may transfer the outstanding amount (including all interest accrued) to the Cash Management Facility accounts of the local conference at the discretion of Division CCMF Limited. In such case the Loan Fund manager shall immediately forward full details in writing to the union and local conference.

Should a church be in default of loan repayments or any part thereof for more than three months:

- i. The primary guarantor will be charged with any unpaid portion of such repayments in default including any future unpaid amounts as they become due.
- ii. By agreement between the guarantors, if the primary guarantor is not able to meet this charge the secondary guarantor shall accept the charge or part thereof.

The union conference shall be the *Secondary Guarantor* of loans to local conferences and churches. *Either the Primary or Secondary Guarantor* in return for giving the guarantee may impose additional loan criteria to that contained in this policy.

5. External Loans

External church loans are to be sourced and arranged by Division CCMF Limited or by an arrangement with a financial institution that has been approved by Division CCMF Limited.

- a. The application for an external loan for a local church shall be submitted to the respective union conference governing committee. All external local church loans shall be approved by:
 - i. Seventh-day Adventist Church Limited when the loan or mortgage is to be in the name of the denominational property trustee, or
 - ii. the respective Union Conference when the loan is not secured against denominational real estate and the loan is to be in the name of the local conference and meets the denominational policy criteria.
- b. The application procedure and criteria shall be the same as for other church loans.
- c. The term of a loan shall be kept to a minimum but shall not exceed twenty years.
- d. Bridging finance for interest only loans shall stipulate a term which shall not exceed the lesser of two years from the date of the initial drawdown or eighteen months from the date of the last drawdown of the loan. A schedule of repayments shall be submitted to the Union for such loans by the time of the last drawdown on the loan.
- e. Where a church wishes to purchase a property on a separate title it shall be permitted to borrow up to 75% of its purchase price on the condition that:
 - i. the repayment criteria is met, and
 - ii. when income generated from the acquired property is used for meeting the repayment criteria the property remains leased until such time as repayment criteria can be met without lease income, and
 - iii. the property is not demolished or altered in such a way that would reduce its resale value below 75% of the value of the outstanding loan balance, and
 - iv. the security for the loan is limited to the property, and
 - v. the property will be sold if the loan repayments fall into arrears.
- f. The conference is to ensure that the local church understands that the church property is security for the loan and in the event that the loan is in arrears the property may be sold by action of the conference governing board to extinguish the loan.
- g. A register of external indebtedness for local churches is to be maintained by the Division.

This information is taken from the South Pacific Division Policy Book.

Risk and Safety Co-Funding Program (RMS)

Risk Management Service (RMS) offers co-funding assistance to Local Churches to reduce risk and improve safety under the Risk and Safety Co-Funding program.

Based on a collaborative approach, the RMS Risk and Safety Co-Funding program aims to help organisations develop tailored risk and safety solutions that work best for their Adventist site.

What Projects could be eligible?

- Development of a Risk Appetite Statement and Enterprise Risk Management Framework, or development of a WHS System.
- Initiatives that improve a site's resilience by reducing the likelihood and severity of potential loss or injury.
- Safety initiatives or training that result in injury or loss prevention, lower claims costs and improved Return to Work and/or claims outcomes.
- Equipment or hardware to prevent or reduce the risk from a hazard, and/or safety equipment that will reduce the likelihood of injury or loss.

Program Details

- Funding is available to eligible Seventh-day Adventist Church organisations in the South Pacific Division territory.
- Funding is for new projects (not retrospective), with a total value greater than \$3,000 (ex GST), that will address a risk or safety issue as described above.
- Projects that appear to only address hazards arising from maintenance issues will be ineligible for funding under this program.
- Funds are budgeted on an annual basis (financial year), which means that while a potentially eligible project may not receive funds this year, there may be opportunity for funding in a subsequent year.
- RMS' co-contribution is not based on a fixed percentage but all applicants must be willing to contribute some of their own funds.
- Project acquittal is a requirement for reimbursement. All applicants must be willing to provide receipts, invoices, quotes and photos to RMS to confirm that funds were applied for the specific purpose.
- All applicants must be willing to share resources developed from the funding to other SDA Church organisations within this Division.
- Projects must not be in conflict with other Church policies, procedures or priorities and before funding is approved RMS may seek approval from your organisation's next highest authority, if necessary.
- RMS may require progress reports from the managers/coordinators of approved projects and may request costs, photographs and outcomes to be included in those reports.

Application & Further Information

You should apply for funding before any work is carried out. To apply, or for further information on the Risk and Safety Co-Funding program, contact RMS by phone on (02) 9847 3375 or email

help@rms.org.au.



Seventh-day Adventist Church™

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