

Dear Treasurer, friends and colleagues

The end of the financial year is rapidly approaching, and it is at this time of year where we often feel the effects of work pressures. This e-newsletter covers a range of topics and issues confronting Treasurers.

Current topics of interest in this June edition include:

1. UFMS WEBSITE

Many Treasurers may have already heard that Uniting Financial Management Services (UFMS) have a new website. Financial management issues that pertain to the work of Congregation & Presbytery Treasurers can be found at www.unitingresources.org.au/fms.

The new website includes information regarding the 'UR1 Return', Register of Auditors, manuals, Living Is Giving and a range of other resources. E-newsletters will be posted on our website soon after release. We advise Treasurers and people alike to keep a regular tab on our website for updated news and information.

2. UR1 RETURN 2006/07 (formerly BFP6 RETURN)

It was mentioned in the previous e-newsletter that the annual BFP6 Return has been renamed to align with the change in our board name to the 'UR1 Return'. The content of the Return has been further improved over the past year, with the addition of the 'Capital Statement of Receipts & Payments'.

For the first time, Treasurers with an email address and who receive e-newsletters are able to download the 2006/07 UR1 Return, Audit Register List and Accounting Instructions direct from the UFMS website. If a hard copy is preferred, please contact one of our staff.

For all other Treasurers without an email address (or for those Treasurers who have specified otherwise), UFMS will mail out the UR1 Return along with the 2007 Audit Register List and Accounting Instructions to their contact address shortly after that date.

In the 2007/08 financial year, the changes in the UR1 Return will be put into practice. The UR1 Return for the 2007/08 reporting period will contain additional account lines in both the Income & Expenditure Statement and the Balance Sheet, whilst the Statement of Capital Receipts & Payments will remain the same. These changes mainly relate to recording transactions for income-generation activities. It is highly recommended that Treasurers adjust their chart of accounts for the 2007/08 financial year. Alternatively, for MYOB users, the upgrade can be purchased from Cecil Benjamin at Benkorp. You can contact Cecil on 1300 138 627.

If you encounter difficulties in understanding the new chart of accounts we advise you to read the 2007 Accounting Instructions which provides line by line instructions for each account code on the UR1 Return. The forthcoming Treasurers Manual will also describe these in full.

For any more information regarding the UR1 Return, please contact Joseph Scardino on 8267 4418 or email josephs@nsw.uca.org.au.

3. AUDIT ARRANGEMENTS for the 2006/07 year

Treasurers with an annual income turnover of over **\$95,500** are advised to begin conducting arrangements with their auditor for the 2006/07 financial year. The **2007 Synod List of Independent Auditors** willing to assist UCA Organisations at nominal hourly rates has been available for download from the UFMS website since May 2007. If you are struggling to find a suitable auditor in your vicinity, please refer to this list which can be easily navigated by region.

4. REPORTING TAX - 2006/07 FINANCIAL YEAR END

Tax can be reported to the Australian Taxation Office on a monthly, quarterly or annual basis for a specific financial period. Congregations should be using an **activity statement** to report and pay; PAYG (instalments and withholding), FBT instalments, GST (but not Income Tax) and related tax obligations at the end of each reporting period.

Activity Statements can now be performed online. Payment can be made via; BPay, Direct Debit, Direct Credit or Mail.

(From the first of July 2007, the annual threshold for registration for the GST will be raised to \$150,000 for non-profit bodies)

5. CONGREGATION INCOME TAX-EXEMPT STATUS

The Australian Taxation Office has recently sent out a routine letter to income tax-exempt organisations (including congregations) requesting confirmation of ongoing 'endorsement status'. This is a periodic task reminding organisations of their obligation to let the ATO know if there is any change.

We wish to assure Congregations that there has been no change in the income tax-exempt status of the Uniting Church in Australia. Therefore, you do not need to take any action with this request.

If you have recently taken over from another Treasurer, though, you will need to update the 'authorised contact details'. ATO staff can only discuss taxation matters with 'authorised contacts'. The ATO requires notification of this information through completion of a form 'NAT 2943- Change of Registration Details Application' which can be found on their website www.ato.gov.au. Select the 'Forms and services' option and type in the form number in the 'Search' function.

6. MANAGEMENT OF CHURCH LENDING

Uniting Financial Services and UFMS are jointly assessing congregations viability for Church loan applications. It is imperative that Congregations complete their annual UR1 Return in an acceptable timeframe, as the timely completion along with a sound financial position and strategic plan are now used as key indicators for the assessment of loan applications.

7. ADAMSTOWN STRATEGIC BUSINESS REVIEW

In May, Bronwyn Shead and Joseph Scardino from UFMS travelled to Adamstown Uniting Church in Newcastle to undertake a strategic planning review with the Congregation on its main business activity, the 'Pudding Kitchen'. This was the first time UFMS has undertaken a Strategic Business Review for a Congregations business activity.

The objective was to determine the best courses of action for the business over the next five to ten years. The approach taken was to consider the strengths and weaknesses of the business, and the viable responses to opportunities and external threats. Various options were then considered in respect of their likely benefits, risks, effort and costs (from the financial and non-financial viewpoints).

Operating business activities alongside the Congregation can often generate renewed life to the Church community, whilst enabling profits to be disbursed to support the mission of the Church. The review is tailored to the Congregation's objectives and the results can assist Church Councils in making long term business decisions.

If you are interested in engaging UFMS to undertake an independent Strategic Planning process for your Congregation's business activity, contact Bronwyn Shead on 8267 4476.

8. TIPS FOR NEW TREASURERS

If you are a new treasurer, we provide a short checklist of matters you need to become familiar with:

- Wherever possible, meet with the previous treasurer to ensure proper handover of all the records and other information.
- Organise promptly change in bank signatories and authorities.
- Arrange for either the Council Secretary or yourself to inform NSW Synod Secretariat/Uniting Resources of changes in office bearers to ensure future mail outs are dispatched to the correct persons.
- Read the UCA Constitution & Regulations (2004 Edition) – particularly the sections relative to Finance and Budgeting (section 5.1.1 to 5.5.10).
- Become familiar with the UR1 annual return which will require the input of other officers within the Congregation/Presbytery.
- Prepare a timetable for getting various tasks done, e.g. payment of monthly Minister Stipend, Beneficiary Fund, Minister Support Fund contributions, Living is Giving and Presbytery Levies etc. Utilise direct debit arrangements to reduce the workload where possible.
- If you are not currently using MYOB, please consider it, as this is suitable accounting software for Church finances. All enquiries regarding the customised MYOB - UCAP package should be directed to Benkorp Management Services (Cecil Benjamin) on 1300 138 627 or hello@benkorp.com. You can visit their web site at any time www.benkorp.com/ucap.

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