

# Church Treasurer's Manual



Victorian Conference  
Seventh-day Adventist Church

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## Introduction

"God is a God of order as evidenced in His works of creation and redemption. Consequently, order belongs to the essence of His Church. Order is achieved through principles and regulations that guide the Church in its internal operations and in the fulfillment of its mission to the world. In order for it to be a successful ecclesiastical organisation at the service of the Lord and humanity, it needs order, rule, and discipline. Scripture affirms that 'all things be done decently and in order' (1 Cor. 14:40 NKJV)" — Church Manual Ch.1 (Revisions 2010).

Good stewardship of scarce resources has always been dependent on well-grounded accounting records, founded on consistent principles and rules.

Christians are God's stewards, entrusted with His goods and, as His partners, 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). Though the question of stewardship covers many aspects of Christian life and experience, without doubt the stewardship of our means is vitally important. It 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 2010).

To avoid allowing this work to go into redundancy, the Treasury Manual will be reviewed periodically. Local treasurers shall have the opportunity to comment with advice on areas of redundancies and improvements. The latest version of this manual is available online at <http://nsw.adventist.org.au/stewardship>.



# Section 1 — Role of the Church Treasurer

## Ethics of Church Officers

Moral and Religious Fitness: "Moreover you shall select from all the people able men, such as fear God, men of truth, hating covetousness; and place such over them to be rulers of thousands, rulers of hundreds, rulers of fifties, and rulers of tens" (Exodus 18:21, NKJV).

"Therefore, brethren, seek out from among you seven men of good reputation, full of the Holy Spirit and wisdom, whom we may appoint over this business" (Acts 6:3, NKJV).

"Those who hold responsible positions in the church may have faults in common with other people and may err in their decisions; but notwithstanding this, the church of Christ on earth has given to them an authority that cannot be lightly esteemed." — 4T Extracts from Church Manual Ch.8 (Revisions 2010)

## The Treasurer

"Because of the important functions of the treasurer, it is wise to choose one who can be re-elected to provide continuity in record keeping and reporting. Large churches may elect assistant treasurers as needed."

"The treasurer can greatly encourage faithfulness in the returning of tithe and deepen the spirit of liberality on the part of the members. A word of counsel given in the spirit of the Master will help members to render faithfully to God His own in tithes and offerings, even in a time of financial stringency."

"The gathering and handling of funds for the Lord's work is a sacred responsibility. The proper channel through which these funds flow is first from members to the local church, where the treasurer receives the funds. The treasurer disburses funds intended for local church purposes. The treasurer holds in trust and passes on to the conference treasurer funds intended for conference or general purposes. The treasurer of the local church works under the direction of the board. Treasurers of any level (local church, conference, union, or division/General Conference) do not act independently. They

### Conflict of Interest

The treasurer should always be aware that in the role as treasurer, there could be conflicts of interest or perceived conflicts of interest in dealings with the Church Board or in a Business Meeting, or with members in some circumstances. For example, a conflict of interest would be 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 board during discussions on price and comparisons with other quotes. The nature of the conflict of interest and the absention of the board member/builder should both be minuted by the recording secretary. Another example is where a church member receives approval after the purchase of a piece of equipment etc, and is perchance a signatory to the church bank account. The member should not be a signatory to any reimbursements made to him/her for the purchase. Where a member of the treasurer's family requires reimbursement for things like the purchase of Junior Sabbath School supplies, it is considered best practice that the reimbursement cheque be signed by two other signatories, neither of whom is the treasurer him/herself. Another similar conflict of interest situation could also occur where a Church pastor is seeking funds for an evangelistic outreach from local church funds. The pastor in that case should not be a signatory to any cheques paid to him/herself. In every board or business meeting where there is a real or perceived conflict of interest, the nature of the conflict of interest and the persons/groups affected by the conflict of interest should be noted in the church Board or Business minutes as and when such conflict occurs. 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. For more information on cheque signatories, see "Expense Payments" (p 12).



disburse funds only by action or authority of responsible committees” — Church Manual Ch.11 (Revisions 2010).

A summary of a Treasurer's Responsibility is outlined in Appendix 1A. The balance of this manual fills in many of the details of a Church Treasurer's duties and professional considerations.

## Segregation of Duties

In an ideal world, it is an honour to be trusted implicitly to handle trust money. In the real world those who handle trust money need to be protected from real temptation, from misunderstanding, from unsubstantiated rumours, etc.

“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.

Therefore, for the protection of the treasurer and the protection of trust funds, it is recommended that, where possible, treasury duties be divided between more than one person of trust. In larger churches this is much easier to do. As a principle, it is recommended that the Church Board/Treasurer divide the treasury duties along the following guidelines.

- a) Collection of Tithes and Offerings — shared between more than one deacon and the offering count is done in concert with more than one person. That may include the treasurer/assistant and a rotation of deacons/Sabbath School secretary or an elder.
- b) Receipting must be done by the Treasurer or assistants.
- c) Banking may be done by an assistant, a trusted elder or a trusted church member. Rotate this responsibility from time to time.
- d) Payments of expenses require two independent signatories. The first signatory approves the appropriateness of the payment including authorisation, budget provision etc. and writes the cheque/arranges the payment. The second signatory reviews the validity of the documentation and the validity of the payee, along with the amount to be paid.
- e) Preparation of monthly T&O report can either be done by the Treasurer or his/her assistant.
- f) The Bank Reconciliation should be done where possible by someone who is not responsible for the receipting or banking (preferably not the one responsible, where practical, for the banking)

In smaller churches, these duty segregations may be impossible to achieve. However, the Church Board/Business meeting is the final check and balance on the Treasurer's responsibility and it behoves the members of the Church at their Board meeting to diligently review the Treasurer's financial report, ask searching questions, seek quality answers and then affirm the treasurers report (preferably accompanied by a bank reconciliation statement) by vote if they are satisfied with the whole report.



## Appendix 1A - Responsibilities of the Church Treasurer

The duties of the ministry to which a person is called when he or she becomes a church treasurer can best be described in the following ways:

### 1. Tithes and Offerings

The treasurer receives the tithes and offerings, which come in on Sabbath morning. It is a generally accepted safeguard to have two or more deacons count the loose offerings as soon as possible after they have been received before the money is turned over to the treasurer. Ideally, the church will make provision for the safekeeping of the church monies in a safe in the church office or arrange to use a bank deposit box.

### 2. Receipting

All funds received should be receipted as soon as possible. The offering envelopes are opened and checked to see that each amount received tallies with what is written on the envelope. All the money is receipted, totalled and a weekly analysis is filled out to reconcile with what has to be banked. The keeping of these records is vital, not only for the auditor who will be checking them each year, but for the members as well who may need a list of their contributions.

### 3. Banking

It is the responsibility of the treasurer to deposit church monies in a bank. Of course, this must be in a separate account from that of the church treasurer's personal account. The account should be opened in the name of the local church according to legal requirements.

### 4. Records

The church treasurer needs to prepare the treasurer's report either manually or online each month. This lists the total amount received for the month comprising conference, union and division funds. The money for this must be forwarded with the monthly report. This can be paid by cheque or Cash Management Facility transfer authority covering the amount of tithe given and the offerings received that were designated for the conference, union or division.

### 5. Personal Receipts

The receipts for tithes and offerings given by the members should be distributed to them on a regular basis in the manner the local church has agreed upon.

### 6. Accounts Payable

Authorisation for the disbursing of church funds for church operation is generally given in the annual church budget. Special projects or items not in the budget must be authorised by the Church Board or by a church business meeting.

### 7. Financial Statements

The treasurer should prepare a monthly financial statement and distribute copies to the Church Board at their meeting. This statement should include the balance status of all budgeted accounts as well as the total received in tithes and offerings, a detailed record of all disbursements made and the reconciled bank account balances.

## Section 2 — Transaction Processing

### Receipting

“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 2010).

#### Minimum details

Every receipt must have the following elements:

- date
- payee
- details of donation
- value of donation
- signature of treasurer/assistant
- a sequential receipt number.

#### Errors and Cancellations

Simple corrections on a receipt 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 with the duplicate copy and given to the Conference Office with the monthly report.

#### Anonymous Donations

Where the donor has not identified themselves the word “Anon” or “Anonymous” shall be written as the giver. It is best practice to distribute the anonymous receipt in the same way as receipted tithe is distributed and listed in your local church bulletin or some other church public notice so the donor may have the opportunity to see that the donation has been recorded.

#### Offering Cash Counting

“All general offerings not in envelopes should be counted by the treasurer in the presence of another officer, preferably a deacon, and a receipt given to such officer” — Church Manual Ch.11 (Revisions 2010).

Appendix 2A shows a Weekly Count Sheet, which is provided by the Conference in book form. It is recommended that this form be used for all offering counts (including the tithe envelopes) and it must be signed or initialled by two persons. Books of these forms in duplicate are provided by the Conference Office on request. On completion of the counting procedure each week, the treasurer will remove the top copy (original) to take with the funds for banking. The book with all duplicates should remain in a secure place at the church.

It is recommended that in churches where there are sufficient deacons to count the cash offerings in pairs and/or with the treasurer/assistant that a duplicate receipt book (available at most stationery shops) be used to record the deacon's count of each offering.

A final cross check (internal control) is when the treasurer issues receipts to the deacons for group offerings and the deacon pastes the treasurer's receipt on/adjacent to the matching deacons duplicate receipt. The deacons' receipt book should be available to any church member who seeks confirmation (without prejudice)





of church offering counts. The deacon's receipt book is also a good source of offering information for the bulletin secretary and the church pastor.

This procedure provides not only protection for the givers, but the treasurer will also be beyond question should anything irregular occur. The duplicate would be the basis of any insurance claim should the funds be stolen or lost. Insurance will cover all funds until the close of business on the first business day after the weekend. Any limited extensions to this time allowed would be on individual event application.

## Tithe Envelopes

"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 2010).

It is the treasurer/assistant's responsibility to count and record the contents of the tithe envelopes as well as recording the number of envelopes collected in the offering bag. It is recommended that this information be included in the Weekly Count Sheet (see Appendix 2A), and it must be signed or initialled by two persons.

Any variation should be communicated with the donor at the earliest opportunity. It is further recommended that all tithe envelopes be retained by the treasurer in a secure place for a minimum of twelve months. This will allow time for the treasurer and the donor to communicate any variations with the count and/or the receipting process.

Where donors continue to leave previous receipts in the tithe envelope, it is the treasurer/assistant'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.

## Cash Security

Common sense and caution is the best security for cash in transit from the deacon's room to the bank. The weekly receipts of offerings, tithes and other income should be banked complete in one bank deposit format on the first day of banking after the weekend.

## Insurance of Cash in Safe & Cash in Transit

Refer Appendix 3A for Cash in transit and Cash in Safe Protection available from Risk Management Service.

## Banking

- All funds (conference, local church, and local church auxiliary) are deposited by the treasurer in a bank or financial institution account in the name of the church, unless the local conference authorizes another system.
- 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 2010).
- Banking should be done by the treasurer/assistant or a trusted church member under segregation rule guidelines and Board knowledge.
- The Cash Management Facility (CMF) is provided and operated by the Division for the purpose of pooling denominational funds to optimise earning potential. Funds held in the CMF are usually accessible on a daily basis.

Refer to Appendix 2B for operating instructions and the form required to update authorised signatories and



mailing address.

In some cases and for convenience it suits the local church to open a second bank account at a local bank. This is approved by the Conference officers, but the account must be in the name of the local church and set up with a minimum of two signatories to change bank account details and to sign cheques. It is recommended that the balance of the local bank be kept at a minimum, with sufficient funds to pay month by month accounts and be topped up with transfers from CMF account on a monthly basis. This ensures maximum interest income earnings on the CMF account and good stewardship.

In no circumstance should a weekly collection of tithes and offerings be banked net of cash expenses paid out to whomever. If it is necessary to make reimbursement for supermarket/stationery dockets, etc, 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 before the Monday banking.

When weekly collections are banked intact, it is infinitely easier to successfully complete the bank reconciliation. The deposit on the bank statement matches the total collection of T&O for the week on the receipts, the weekly analysis and the report to the Conference. Splitting deposits between Church Management Fund (CMF) and a local bank account is NOT encouraged. It is considered best practice that all church deposits go to the CMF account and any funds required for an auxiliary bank account be transferred by CMF cheque or electronic transfer to keep the auxiliary bank account afloat.

### ADRA – ADRA Appeal

Refer to the instructions in the ADRA Appeal Treasurer Receipt Book.

### Schools Building & Maintenance funds (SBMF)

Refer to Appendix 2C for guidelines.

### Fund for Needy Persons

Refer to Appendix 2I for guidelines.

### Income NOT to be receipted

The following forms of income shall not be receipted by the treasurer, but shall be passed on to the appropriate recipient or returned to the donor to be mailed to the appropriate recipient.

- a) Distributions from a trust.
- b) Distributions from an estate that is destined to a third party.
- c) Distributions destined for ACA Ltd.
- d) Any other distributions destined for a third party that requires a tax deductible receipt.

## Credit Card processing Guidelines



There are two options available to a local church treasurer when they receive a tithe envelope with the credit card information.

The first option is to send the envelope to the cashier at the Conference Office. They will process the debit amount to the card and will credit your Bank/CMF account with the amount. You should not issue a receipt to the giver until the funds appear on your Bank/CMF statement.

The second option is for the treasurer to go directly to the eGiving website (<https://egiving.org.au>) and process the donation. When asked for an email address, the recommendation is that the treasurer have the confirmation email sent to themselves. Once you have received this, you can then forward it to the donor by email or hard copy.

The Payment Card Industry Data Security Standard (PCI DSS) is a security standard that relates to how we handle the information for major credit and debit cards. There are a total of six control objectives contained within the standard and twelve requirements. Many of these do not relate to your use of the card data however there are a few that do. The table below lists those that would affect your use of the card data.

Control Objective	PCI DSS Requirements
Protect Cardholder Data	3. Protect stored cardholder data 4. Encrypt transmission of cardholder data across open & public networks
Implement Strong Access Control Measures	7. Restrict access to cardholder data on a business need-to-know basis 9. Restrict physical access to cardholder data

Each Church Treasurer needs to put in place mandatory processes to ensure that credit card data they collect complies with the above requirements of the PCI DSS. As a minimum it is recommended that once a transaction has been processed a permanent marker be used to block out the first twelve digits of the card number, the expiry date and the CVV code. You would then retain enough information to verify the transaction, but would not be keeping anyone's personal data.

eGiving and other direct deposit amounts are to be recorded in monthly totals as notified by CMF or other local accounts as a separate line below the weekly banking total on the weekly analysis slip. Add the ebanking date as well. It is not necessary to write a separate weekly analysis slip. However, do not forget to show the eGiving total on the monthly T&O report with the split between Conference and local church funds.

"The treasurer shall give receipts for all funds received. On receiving money from the treasurer, the secretary of the auxiliary organisation shall give a proper receipt to the treasurer" — Church Manual Ch.11 (Revisions 2010).

For Auxiliary funds that are not part of the regular Tithes & Offering stream it is recommended that the local church



Refer to Appendix 5A for an example of processing a credit card donation through eGiving.

Interest recorded on the bank statements should be recorded as a separate receipt and deposit in exactly the same manner as eGiving (see above). This will facilitate a simple and improved process of doing the bank reconciliations.

## Offerings for Auxiliary Funds/Organisations

"The funds of auxiliary organisations, often donations given for specific purposes, are raised for that special part of the church's work for which the auxiliary organisation is established. Such funds 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 2010).

Where funds are received firstly by the Local Church treasurer and receipted into Local Church Funds and then subsequently passed onto an Auxiliary organisation other than through Tithes & Offerings reports, the following direction is given by the Church Manual.

### GC/Conference/Local Funds

"All offerings and gifts contributed by individuals for a specific fund or purpose must be used for that purpose. Neither the treasurer nor the board has the authority to divert any funds from the objective for which they were given" — Church Manual Ch.11 (Revisions 2010).

The conference issues a list of offerings (Offering Calendar) each year that shall be adhered to. As a principle, the Treasurer/Assistant must allocate all offerings in accord with the publicly published or announced purpose or project.

### Treasurer of a Company

"The treasurer of the company shall keep record of all money received and disbursed and shall send promptly, at the time established by the conference, all tithes and offerings, other than funds collected for local purposes, to the conference treasurer, who also is treasurer of the conference church" — Church Manual Ch.11 (Revisions 2010).

## Expense Payments

Expenditure of the local church can generally be classified into two groups:

- 1) Fixed costs over which there is little or no control by the Board. These include utility costs, council rates (if any), water rates/usage, power levies and supply, building and contents insurance, music copy licence, pest control, fire risk inspections etc. All of these are the cost of being in a location, using public supplied amenities/supplies and maintaining the right to exist and operate in your location. All these types of expenditure should be included in the approved annual church budget and would



treasurer pass on those funds when necessary by using the local church cheque duly signed in accord with cheque signing principles.

not need any further authorisation by the Board or Business Meeting during a financial year.

2) Variable costs over which the Board has absolute or nearly absolute control, such as evangelism programmes and supplies, Sabbath School/Church supplies, equipment, kitchen supplies, general stationery, maintenance of plant & buildings (mostly) etc. Most of the anticipated variable costs should be fully estimated and included in the annual church budget as approved by the Business Meeting.

stationery, maintenance of plant & buildings (mostly) etc. Most of the anticipated variable costs should be fully estimated and included in the annual church budget as approved by the Business Meeting.

## Documentation

In every case there should be an invoice or other form of generally accepted documentation to validate the reason for drawing a payment for supply. It is the duty of the Treasurer to ensure that all payments are properly validated by such documents even if the treasurer needs to supply a blank form (available from stationery stores as duplicate invoices) to the claimant to complete with claimant's personal /business name/ title, date, details of supply and the amount claimed and the claimants signature.

## Authorisations

In the event where the expenditure has not been anticipated nor included in the church budget, the Treasurer should seek authorisation from the Board or Business Meeting before payment of the expenditure (a quorum or a phone around the senior officers of the church may expedite the approval process). However, the item should be raised at the next Board or Business Meeting for endorsement and a minute to that effect should be recorded. Signatories to the local church bank account and the CMF account should be authorised by the Business Meeting and recorded in the minutes. It is recommended that church officers who will remain local members for some time be authorised. It is recommended that the senior elder, treasurer, clerk and any other responsible member as the church sees fit be the signatories. No fewer than three and not necessarily more than seven signatories in larger churches. Any two signatories as a minimum to sign the cheques, keeping in mind the avoidance of real or perceived conflicts of interest issues.

It is strongly advised that no signatory sign any cheque until they have first sighted the supporting documentation authorising the payment. The second signatory to a payment is like the "Senate of a parliament" giving the final approval.

The practice of pre-signing cheques is a high-risk activity and may lead to financial abuse. It is recommended that where feasible signatories be members of the Church Board.

In the case of signing CMF cheques it is mandatory that the signatories sign on the bottom left hand side of the cheque form.

## Goods & Services Tax (GST)

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. The Seventh-day Adventist Church (Victorian Conference) Ltd is registered for GST and must include GST in the price of most goods and services it sells or provides (called 'taxable sales'). It can claim GST credits for the GST



### Example

A charity has chosen to treat its sales at an annual fete as input taxed. The stalls at the fete are staffed by volunteers. The charity buys a red rose for each volunteer to wear while serving at the stalls.

The charity CANNOT claim GST credits for the GST in the purchase price of the red roses as they are purchased for the purpose of making input-taxed sales at the fete.

included in the price of certain things it purchases.

If an organisation is entitled to claim GST credits (including when it reimburses a volunteer for an expense), it needs to hold a tax invoice. The volunteer needs to request a tax invoice from the supplier and pass that tax invoice to the organisation.

The organisation can still claim the GST credits even if the tax invoice is in the name of the volunteer. An organisation does not need a tax invoice to claim a credit if an expense is \$82.50 (GST inclusive) or less. All that is required is some other documentary evidence of the expense, such as a cash receipt, cheque butt or bank statement (refer NAT 4612-04.2008). There are some

goods and services that do not have GST included in the sale price. These are either GST-free or input-taxed sales.

An organisation cannot claim GST credits for the GST in the price of purchases that it makes (whether for a volunteer or not) that are for the purpose of making input-taxed sales. When an organisation makes an input-taxed sale, it does not have to remit GST on the sale. However, it is not entitled to claim any GST credits for the GST in the purchase price of things that it buys to make that sale. Only certain types of sales are input taxed. Charities and gift-deductible entities may choose to treat sales at fundraising events as input taxed.

### Concessions for non-profit entities and charity institutions

- Gifts: A gift to a non-profit organisation is not subject to GST
- Non-commercial Activities: Where sales are made and the payment received is less than either 50% of the market value or 75% of the amount paid to acquire the goods sold, then the sale is GST free.
- Donated 2nd hand goods: Sale of donated second-hand goods are GST free provided there is no change in the character of the goods.
- To check that a supplier is GST registered, go to <http://www.abr.gov.au>.

## Conference Accounts

Conference/Adventist Book Centre accounts shall be paid in a timely manner (i.e. within the month after the statement where the invoice is first disclosed). It is the Treasurer's responsibility to firstly ensure the numerical accuracy of the Conference/ABC charge, and secondly have the appropriate authorisation to pay the account. Further it is the treasurer's responsibility to reconcile the Conference/ABC statement with outstanding invoices/charges to the church. Account queries are to be directed to the Finance office of the Victorian Conference (03) 9264 7777.

It is the Conference's responsibility to promptly respond to any queries the treasurer/assistant may have with any Conference/ABC charge to the church account.

### KFUND

KFUND is for those churches that do not have a Central Management Facility (CMF) account and need to send in a



cheque each month to offset their Tithes and Offerings that have been collected at their church. Each month the conference will process a debit amount to this account for the amount of tithes and other offerings that are required to be remitted to the Conference. A cheque for the same amount should accompany the T&O report and will be credited to the account so ideally this account will have a zero balance. If it doesn't, it requires urgent rectification.

## KCHRCH

KCHRCH is an account in which the conference charges each church for items that the church requests or are passed on to the conference for payment. Items include things like insurance, wages, copyright, cost of resources. The conference sends out statements for the above accounts each month, which alerts the church to what needs to be paid back to the conference. This account should be paid off each month.

To pay your KCHRCH account, the treasurer can put a request through the Tithes and Offering system under "current account payment." This amount will automatically be deducted from the church's CMF account and transferred to the Conference CMF account.

On the long report/Excel spreadsheet under the heading "Transfers," there is a row "Payment Conference Current account." Please record the amount you want to pay on that row. The Conference will then withdraw this amount from your CMF account and apply it to the KCHRCH account. Another option is to send a cheque to the Victorian Conference and it will be receipted to your KCHRCH account.

## Tithes and Offerings received at the Conference

There are times when individuals pay money 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. This needs to be receipted to the individual, so they know that their local church has received the funds.

## Bank Reconciliation

A Bank Reconciliation is the final proof of the accuracy of banking, recording of bank interest, eGiving, recording GST refunds and the recording of cheques already presented to the bank as well as the numerical accuracy of your monthly reports to the Conference and the final church fund's balance. Therefore, the bank reconciliation is a vital link in the internal control function of the treasurer's work.

It is recommended that the treasurer arrange with the local church bank for the bank statement to be supplied no less than monthly with the balance ending on the last day of the month. In the case of CMF statements it will be the middle of the previous month with the exception of June when the CMF statement will be a little later than usual and the balance date will be June 30.

The Conference mandates that the current bank reconciliation accompanies copies of the bank statement and the Church T&O report to the Conference. The only exception applies to those treasurers who currently use the "T&O Online" system.



It is recommended that the bank reconciliation relating to the final month of each quarter be attached to the quarterly financial report that is presented to the church Business Meeting.

For tips on Bank Reconciliations, refer to Appendix 2G.

## Church Treasurer's Supplies

Refer to Appendix 2H for Conference stationery order form.





# Appendix 2A - Weekly Count Sheet

<b>WEEKLY COUNT SHEET</b>																													
2 people to initial each section																													
Church: _____			Date: _____																										
OFFERING: Sabbath School		\$	c	TITHE ENVELOPES																									
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	\$50			Envelope #2																									
	\$20			Envelope #3																									
	\$10			Envelope #4																									
	\$5			Envelope #5																									
	\$2			Envelope #6																									
	\$1			Envelope #7																									
	\$0.50			Envelope #8																									
	\$0.20			Envelope #9																									
	\$0.10			Envelope #10																									
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Cash	\$100.00			Envelope #18																									
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	\$0.10			Envelope #27																									
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	<b>Total</b>			Envelope #29																									
Cheques	<b>Total</b>			Envelope #30																									
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## Appendix 2B - Cash Management Facility

### CASH MANAGEMENT FACILITY

#### AUTHORISED SIGNATORIES AND CHANGES IN MAILING ADDRESS

CHURCH OR ACCOUNT NAME: \_\_\_\_\_

CMF ACCOUNT NUMBER: \_\_\_\_\_ DATE: \_\_\_\_\_

Please record ADDRESS for mailing of statement :

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_ POSTCODE \_\_\_\_\_

PHONE (Home) \_\_\_\_\_ (Work) \_\_\_\_\_ Fax \_\_\_\_\_

E-MAIL ADDRESS (If Any) \_\_\_\_\_

#### ALL SIGNATORIES now authorised to operate the account

<u>Family Name</u>	<u>Given Names</u>	<u>Church Position</u>	<u>Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AUTHORISED BY: (Church Pastor or Head Elder and one other to Sign)

Church Pastor \_\_\_\_\_ Church Elder \_\_\_\_\_

Treasurer \_\_\_\_\_

Other (Include Position held) \_\_\_\_\_

**PLEASE COMPLETE THIS FORM & MAIL TO THE CONFERENCE OFFICE**  
**Conference to mail copy to Division.**

## CASH MANAGEMENT FACILITY OPERATING INSTRUCTIONS

The Seventh-day Adventist Church Ltd operates one bank account with Westpac and has allowed local churches, conferences and institutions to use the facility to earn maximum income from idle funds. As a participant in Cash Management Facility (CMF) you receive from the CMF a monthly statement of transactions through your account. All CMF funds are invested under the policy guidelines of the South Pacific Division of the SDA Church, to earn interest income. This income is distributed at the end of March, June, September and December, having accrued on the daily balance in your account. **Deposits in CMF accounts are secured by the investments of CMF. The Seventh-day Adventist Church Ltd offers no guarantee or security to depositors beyond those investments.**

### RECONCILIATIONS

Please check all entries promptly and notify either your local conference or Cash Management Facility of any errors.

### CONTACT WITH WESTPAC

Westpac recognises only CMF authorised signatures and instructions and orders of cheque/deposit books from CMF. **PLEASE do not** embarrass these offices by approaching Westpac for any purpose other than the deposit of funds.

### AUTHORITIES/CHANGES OF ADDRESS

Periodically you will receive, with your statement, a form for advising changes in address and local signatory authorities. Please send this form duly completed to the conference.

**PLEASE DO NOT ATTEMPT TO ADVISE WESTPAC OF THESE CHANGES.**

### STATIONERY

All stationery will be supplied through your conference office. Send the order form in the deposit book/ cheque book to the conference. Ensure you include the name of your church.

**PLEASE DO NOT ATTEMPT TO OBTAIN A CHEQUE OR DEPOSIT BOOK FROM WESTPAC.**

### DEPOSITS

The deposit forms supplied are specially encoded to identify the deposit as yours. **DO NOT DEPOSIT ANY FUNDS USING AN UNENCODED FORM.** If you do, you will lose interest until the deposit is identified, and processing will be inefficient. **PLEASE HELP US TO AVOID THIS.** Please also double check all additions and cheque listings for accuracy, and if changes are made be sure the butt is also changed. Be sure all cheques listed are included with the deposit slip. **ENDORSE CHEQUES WITH THE NAME "SEVENTH-DAY ADVENTIST CHURCH LIMITED" TO AVOID BANK PROBLEMS.** Also write or stamp your church's name on the back of each cheque to help identify who banked it should it be returned unpaid.

To speed up banking **Business Express Deposits** may be used subject to the following **conditions:**

A comprehensive analysis of cash and cheques deposited must be retained as proof of deposit.

This must be signed by two people verifying its accuracy and the envelope's identifying tag attached.

The serial, BSB and A/c No. must be listed on the envelope and an encoded deposit slip included inside.

### CHEQUES

All cheques **must** be signed by Seventh-day Adventist Church Ltd signatories recognised by Westpac using the cheque-signing machine at the conference office. We recommend payments be prepared monthly, with payment advice and stamped addressed envelope, and sent to the conference with the monthly offerings report. The conference will sign the cheques and mail them for you immediately. Two local signatures should be on the **LEFT**-hand side of the cheque, thus giving the conference authority to sign on your behalf.

**Cheques should not be made out to cash. \* PLEASE DO NOT PAY OUT ANY CHEQUE UNLESS MACHINE SIGNED \*\***A stop payment on a cheque needs to be communicated to the conference not Westpac.

### TRANSFERS

Do not pay the conference by cheque. When sending your monthly report to the conference, authorise the transfer of amounts due to them from your CMF account to their CMF account. Note that late transfers will be backdated and interest is adjusted accordingly.

## CASH MANAGEMENT FUND ONLINE (CMF ONLINE)

### TERMS AND CONDITIONS OF USE

*Please read carefully before you sign.*

Thank you for your interest in CMF Online. This system has been designed to assist CMF account holders manage their cash needs in a secure and efficient manner.

As a user of the system it is important to outline the key terms and conditions associated with the use of the software. Please take the time to read this information, before completing the request for access at the end of this document.

#### **1. Acceptance of Terms of Use and Amendments.**

Each time you use CMF Online, you agree to abide by these terms of use and any amendments that are made and notified to you over time.

#### **2. Our Service.**

This program is web-based and as such you will need a computer with adequate internet access. Every effort is made to ensure this program will operate on readily available web-browsers.

If you experience difficulties using this program, please contact Division CCMF via email on [cmf@adventist.org.au](mailto:cmf@adventist.org.au) or +61 2 9487 3333.

#### **3. Your Responsibilities and Registration Obligations.**

In order to use the CMF Online, you must request access from the Conference Office. You agree to provide truthful information when requested. When registering, you explicitly agree to these terms of use.

In order to process any funds transfers, two signatories will be required to sign-off. Local Church Board action will be required to nominate these individuals as signatories. At least two (2) individuals must be appointed per entity.

#### **4. Privacy Policy.**

Registration data and other personally identifiable information that we may collect is subject to the terms of our Privacy Policy.

#### **5. Registration and Password.**

You have requested access to use the CMF Online to manage your cash needs. Access to the system is provided via an activation email sent to your nominated email address. Your password will be set by you when you first log in. Your password is to remain confidential and must not be shared with anyone.

You accept responsibility for all use of the CMF Online using your email and password (your login ID) and for preventing unauthorised use of your login ID.

You agree to immediately notify the Helpdesk if you believe there has been any breach of security such as the disclosure, theft or unauthorised use of your username and password.

You should never leave the computer you are using without logging out first.

Conference Instructions

To speed up processing please fax the completed form to Finance Department

03 9264 7700 or email to [Vicfinance@adventist.org.au](mailto:Vicfinance@adventist.org.au). Please also post the original to Seventh-day Adventist Church PO Box 215, Nunawading VIC 3131



I have read this document and understand that my signature constitutes my acceptance of the terms of the agreement. I understand that my username and password is not to be used by anyone other than myself.

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

As a part of the application process, your identity must be verified. You must complete all of the application form (Part A and Part B). Part B requires an original certified copy of one of the nominated documents listed and requires a specific certifier to sign the form as well.

---

## **PART A**

---

### **CCMF Online - ACCESS REQUIRED**

(please tick boxes as applicable)

#### **A) Define Role (User may have more than 1 role)**

Local Church Treasurer

Union Administrator \_\_\_\_\_

Local Church Assistant Treasurer

Union Treasury Staff

Conference Administrator

Division Administrator

Conference Treasury Staff

Division Treasury Staff

#### **B) Define Permission**

Read Only

Signatory

Date: \_\_\_\_\_

Pastor/Head Elder Signature: \_\_\_\_\_

Applicant's Signature: \_\_\_\_\_

Administrator's Signature: \_\_\_\_\_

Applicant's Name: \_\_\_\_\_  
(First name, last name)

Applicant's Church: \_\_\_\_\_

Applicant's Position: \_\_\_\_\_

Applicant's Email: \_\_\_\_\_

Applicant's Phone: \_\_\_\_\_

Applicant's Address: \_\_\_\_\_

Applicant's Fax: \_\_\_\_\_

\_\_\_\_\_

Applicant's Birth Date: \_\_\_\_\_

\_\_\_\_\_

Security Question: \_\_\_\_\_

Security Answer: \_\_\_\_\_

(Security question and answer to be used when contacting Division CCMF – ie What primary school I went to, Mother's maiden name, etc)

Local Church Treasurer – forward this form to your Conference Office

Conference Staff – forward this form to Division CCMF by fax - +61 2 9489 0943

## PART B – Supporting Document(s)

### Step A: Choose identification documents

You need to choose 1 document from the following list:

Please note that documents will not be returned.

#### Certified copy document

- Driver's Licence (must be current, shows current residential address and photograph)
- Birth Certificate or Birth Extract (issued by the Government)
- Proof of Age Card (must be current, shows current residential address and photograph)
- Pension Card (must be current and issued by the Government entitling financial benefits)

**THE IDENTIFICATION DOCUMENT PROVIDED MUST DISPLAY YOUR FULL NAME**

### Step B: Select a Certifier

Take the original and copy of your identification document to a document certifier from the list below:

(Ask them to follow the instructions in Step C)

- A credentialed Minister of Religion
- A Justice of the Peace
- A Bank Officer with 2 or more years continuous service
- An Accountant who is a member of a Professional Accounting body
- A Solicitor or Barrister
- A Judge
- A Police Officer

### Step C: Document Certifier to complete

To certify the copy of the identification document to be a true copy of the original document, on the copied document complete the following:

1. Write these words: "I hereby certify this document is a true copy of the original document shown to me on [date]"
2. Sign the document
3. Provide name and certifier classification (as per Step B). For example, John Smith, Accountant, Reg. No. (if applicable)

#### Then complete the following section:

I have examined the identification document of the person(s) listed in Step 1.

If Division CCMF Ltd has any questions regarding this verification, you may contact me at the details provided below:

(this may be your work or residential contact details).

#### Document Certifier

First name

Middle Initial

Surname/Family Name

Primary phone number

Unit number

Street number

Street Name

Suburb

State

Postcode

Certifier Classification (as per Step B)

Signature of certifier

Date (DD/MM/YY)

**Note:** It is an offence under the Anti-Money Laundering / Counter-Terrorism financing Act 2006 to provide a false or misleading statement, or to produce a false or misleading document.



## Privacy Policy of South Pacific Division of the Seventh-day Adventist Church

The South Pacific Division of the Seventh-day Adventist Church "SPD" is a Division of the General Conference of Seventh-day Adventists. The principal object of the SPD is to aid and forward, principally in Australia, New Zealand and the South Pacific Islands the objectives of the Seventh-day Adventist Church in proclaiming to all nations the everlasting Gospel.

By using this Cash Management Facility website, you agree to the Privacy Policy of the SPD set out below. SPD reviews its Privacy Policy periodically and reserves the right at its discretion, to modify or remove portions of this policy at any time. This page should be reviewed periodically so that you are updated on any changes. SPD recognises the importance of protecting the privacy of personally identifiable information collected about users of the System.

### Personal Information

Personally identifiable information about users of this system is collected only when knowingly and voluntarily submitted. For example, we may need to collect such information to provide you with information or a service you have requested.

Sometimes SPD engages in activities with other church related entities with whom personal information is jointly collected or shared. In situations where your information will be shared, it is recommended that you also review the privacy policy of other church related entities.

### Use of Information

Personally identifiable information that users submit to this system is used only for the purpose which it is submitted unless we disclose other uses in this Privacy Policy or at the time of collection.

### Use by Third Parties and Public Information

SPD may use reputable third parties to manage activities available on our sites including, but not limited to statistical analysis and charts. These parties may have access to personally identifiable information submitted by users who participate in those activities. Similarly, we may contract with third parties to handle the fulfilment requests for information and services. In such instances, SPD instructs those third parties to use personally identifiable information only for the specific purpose for which it is collected.

### Use of Aggregate Data

We may collect certain non-personal information to optimize our Web pages for your computer (ie, the identity of your internet browser, the type of operating system you use, your IP address and the domain name of your Internet service provider). We may use such non-personal information for internal purposes, including but not limited to improving the system.

SPD may use personally identifiable information in aggregate form – not individual – to improve this system and make them more responsive to the needs of our users. This statistical compilation and analysis of information may also be used by SPD or provided to others as a summary report for advertising or research purposes.





## Disclosure

Personal information may be disclosed in special situations where SPD has reason to believe that doing so is necessary to identify, contact or bring legal action against anyone damaging, injuring or interfering (intentionally or unintentionally) with SPD rights, property, users, or anyone else who would be harmed by such activities. Also SPD may reveal information when it believes in good faith that the law requires it.

## Security

SPD strives to ensure the security, integrity and privacy of personally identifiable information submitted to its Systems, and periodically reviews and updates its security measures in light of current technologies. Unfortunately, no data transmission over the internet can be guaranteed to be totally secure. Although SPD strives to protect your personal information, we cannot ensure or warranty the security of any information you may transmit to us. Once we receive your transmission we make our best effort to ensure its security on our systems.

## Changing Personal Information

You have the right to request access to and to change personal information SPD has obtained from you at any time.

## Cookies

Cookies are data that a Web site transfers to an individual's hard drive for record-keeping purposes. Cookies, which are an industry standard used by most Web sites, including those that may be operated by SPD can facilitate a user's ongoing access to and use of a site. They allow us to track usage patterns and to compile data that can help us improve our website. If you do not want information collected through the use of Cookies, there is a simple procedure in most browsers that allows you to deny or accept the Cookie feature. However, cookies may be necessary to provide you with all website services.



## Our Public Policy Statement on Privacy

The following is a copy of the Published SPD Statement about privacy.

### We Care About Your Privacy

SPD acknowledges the importance of your privacy and the safeguarding of your personal information.

Your personal information allows us to provide a service that you may request and in compiling records to assist SPD in its proper function. If you do not provide your information we may be unable to provide the information or service you require. Our aim is to protect and maintain your personal information in a manner that ensures its privacy, security and accuracy.

All personal information provided to SPD is subject to the standards set out in the National Privacy Principles for the handling of personal information. We will only collect information relevant to our objectives and services.

Information relating to persons serving on SPD committees may be retained to maintain company records and provide necessary information and services.

The personal information collected and maintained by SPD may comprise your name, address, contact details and information specific to a function or requested service. The information submitted to us may be shared with other related church entities.

The information we retain allows us to properly function and provide requested services.

Your personal information may be shared with other related church entities or other organisations that deliver services on our behalf. Although these organisations may be subject to the Privacy Act 1988 in their own right, we require them to conform to our privacy standards as well as comply with the Act. They will not be permitted to retain any personal information about you unless you have expressed an interest in services provided by them.

We use appropriate technology and documented employee procedures to ensure that your personal information is secure. Only SPD and others authorised to handle personal information on our behalf have access to your personal information.

We will, with your help, aim to keep our records accurate, complete and up to date. We will remove identification from any information that we no longer require. You can notify us at any time if you do not wish to receive any information or service we can provide. We do not and will not sell personal information we collect.

You have the right to request access to your personal information held by SPD. There is generally no charge for access to your personal information unless provision of the information that you are seeking requires significant SPD resources. We will provide the information within a reasonable timeframe and advise you if costs will be incurred.

If you require more information, if you have an issue or if you have any suggestions on how we can improve our service please contact: The Privacy Officer

Email: [spd.info@adventist.org.au](mailto:spd.info@adventist.org.au)

Telephone: (02) 9847 7333

Mail: Locked Bag 2014, WAHROONGA NSW 2076



## Appendix 2C - School Building and Maintenance Fund

Victorian Conference of the Seventh-day Adventist Church  
4234 5897 203

### Instructions for Local Church Treasurers

Victorian Conference of the Seventh-day Adventist Church has established a tax deductible gift fund. Donations to this fund are to be used for school buildings and maintenance.

If the School Building and Maintenance Committee accepts a gift, contribution or donation of money or property as an addition to the Fund, the School Building and Maintenance Committee must give the donor a receipt in the name of the Fund, and otherwise comply with all applicable laws in relation to any such gift, contribution or donation, including without limitation, the provisions of the Charitable Fundraising Act.

To ensure that all donations given to the fund are receipted in the correct manner, and also to ensure that all applicable laws are abided by, we would ask that local church treasurers receipt any donations made by church members into their local funds and send a cheque to cover the donations along with a listing of donors and amounts given to Victorian Conference of the Seventh-day Adventist Church "School Building and Maintenance Fund."

Upon receipt of the above cheque and donor listing, the fund will issue the tax deductible receipts to the donor so please include clearly the donor's name and address so that these receipts find their way back to the donor.

In that these funds attract tax deductibility it is important that they find their way to the fund reasonably quickly. We recommend a monthly processing time frame so as you send in your report you can send a cheque and analysis with it. Coming up to June 30 send donations to arrive at the office prior to June 30 so that the donations are receipted in the correct tax year

Please send your cheques and analysis for the School Building and Maintenance Fund to:

Victorian Conference of the Seventh-day Adventist Church  
PO Box 215  
Nunawading VIC 3131

Attention Finance Department



## Appendix 2D - Seventh-day Adventist Church Victorian Conference Policy for Employment of Workers in the Local Church

When churches employ workers such as cleaners and maintenance workers, the Conference HR department should be notified in writing either by letter or email. An employment pack will be forwarded to the employee to complete. Once completed it should be passed to the Pastor and/or Treasurer who will complete the New Employee/Authority to Deduct Form, Timesheet and/or Roster Form (see Treasurers Manual – these forms are available in electronic format).

NOTE: All employees will be paid by the Seventh-day Adventist Church (Victorian Conference) Ltd.

### Salaries and Wages

No wages or salary shall be initially paid from local church funds. To do so is illegal and in breach of several statutory laws. 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:

<http://www.fairwork.gov.au/employment/national-employment-standards/pages/default.aspx>

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, PAYG certificates have to be issued to the recipient 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.

The corporate church cannot cover any such employee or dependent contractor for any injury incurred whilst acting as an employee or dependent contractor. Your Conference runs a special fortnightly payroll for any such employee/dependent contractor and only needs to be advised of details of employment.



# Appendix 2E - New Employee Authority Form

**SEVENTH-DAY ADVENTIST CHURCH (Victorian Conference) LTD**



## NEW EMPLOYEE - AUTHORITY FORM

**Instructions:**

- Please complete all the relevant details—Receiving a payment is reliant on a signed form
- Send with completed employment pack to Karina Gurban PO Box 215, Nunawading Vic 3131

Name: \_\_\_\_\_

Location: \_\_\_\_\_

Position: \_\_\_\_\_

Start Date: _____	End Date: _____
-------------------	-----------------

Rate of Pay: \_\_\_\_\_ per hour

Auto paid (Please complete Roster From)

**Employed:**

Full-time

Part-time \_\_\_\_\_ hours per week

Casual

Comments: \_\_\_\_\_  
\_\_\_\_\_

The government legislation dictates that an employer pays superannuation guarantee for an employee who earns \$450 or more in each monthly period.

Signed Employee \_\_\_\_\_ Date \_\_\_\_\_

Signed Pastor/Treasurer \_\_\_\_\_ Date \_\_\_\_\_

**Authority to Charge Church’s Current Account with Victorian Conference**

*Please note: This employee will not be paid unless this authority has been signed by the local church pastor or treasurer.*

I \_\_\_\_\_ (print name) authorise for the above wages and superannuation guarantee to be charged to \_\_\_\_\_ Church’s current account.

These charges will be paid for in a timely manner.

Signed Pastor/Treasurer \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

## Appendix 2F - Timesheet (Local Church)

SEVENTH-DAY ADVENTIST CHURCH (Victorian Conference) LTD



### Timesheet

Employee Name: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Employment Location: \_\_\_\_\_

Day	Date	Start time	Finish Time	Total Hours Worked	Office Use Pay Code
Sunday					
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					

Signature of Employee \_\_\_\_\_ Date \_\_\_\_\_

Signed Pastor/Treasurer \_\_\_\_\_ Date \_\_\_\_\_

This time sheet will not be paid unless "New Employee - Authority Form" has been signed

**NOTE: To be included in the current pay period THIS FORM MUST be received by payroll NO LATER than 4PM MONDAY**

This record is a Commonwealth Government legal requirement and therefore will be used as the only basis for the payment of wages. It must be in legible form and readily accessible to a workplace inspector for a continuous period of seven years.




## Appendix 2G - Tips for Bank Reconciliations

Note: These tips relate to the bank reconciliation where you start with the bank balances and end with a figure that agrees with the balance of funds on the Church treasurer's report for the month ending that closely corresponds with the date of the closing bank balance on the bank statement/s.

1. Firstly ensure that the starting balances of your current bank statements are the same as the ending balances of your last reconciled bank statement.
2. Secondly tick off any outstanding items from the last bank reconciliation. It is recommended that you put an identifying mark such as a circle "O" (outstanding) or an "R" (reconciliation) against any item not ticked off. This should prompt you to "carry forward" those items to the next reconciliation.
3. Compare the CT cheque payments and funds transfers out with presented cheques and fund transfers on the bank statement/s. Because we assume that un-presented cheques and fund transfers will ultimately be deducted from the bank balance in time we then deduct those from the bank balance/s on the reconciliation form.
4. Compare the CT deposits with the bank statements. Because we assume that un-presented deposits will ultimately be added to the bank balance we add them to our bank balances in our reconciliation.
5. If there is interest or ebanking deposits on the bank statement and not in the CT report it is better to add those items into the CT report before complete the reconciliation. These should be written in as individual banking deposits, which in fact they are just that.
6. Where there is a GST refund credit showing on a CMF statement the current practice is to tick it off against a carried forward GST item outstanding from a previous months reconciliation. Do not forget to pick up a current month's GST claim outstanding and include it in the current months reconciliation.

(Note: Where the alternative treatment of GST claims outstanding are treated as GST claims on the Conference and show as a negative fund balance in a separate column on the T&O Report and the GST refund deposit is shown on the CMF statement then treat the refund amount as a separate deposit. Therefore when the refund is shown on the CMF statement the receipt would directed to the GST column thus reducing the negative balance which in reality was the amount the Conference owed the church in refund moneys. From time to time that column will need review to unsure that past month's negative GST balances were offset with recent GST refund deposits. Any imbalances in the GST column can be corrected by a transfer from a local church expense fund.)

7. Where a cheque amount in a previous T&O report is different to the cheque amount shown in the bank statement it is an easy matter to still treat the original cheque value as an un-presented cheque in the reconciliation but show the bank disclosed amount in brackets immediately under the cheque amount in the reconciliation. The figure in brackets is then treated as a minus against the total of cheques outstanding. This way it is clear to you what has happened to that cheque and you can make an adjustment in your current or next T&O report (see next point).
8. You will need to investigate whether the bank has made the mistake or you have incorrectly shown the cheque amount in your T&O report. If it is the bank's error then contact the bank and get them to make amends. If your T&O report is in error then an adjustment is necessary in that report. Ensure you have the right correction and initial the alteration to appease the auditor.

- 
9. Where deposit amounts shown in a previous T&O report is different to the deposit amount shown in the bank statement it is an easy matter to still treat the original deposit value as an unrepresented deposit in the reconciliation but show the bank disclosed amount in brackets immediately under the deposit amount shown as outstanding in the reconciliation. This way it is clear to you what has happened to that deposit and you can make an adjustment in your current or next T&O report (see next point).
  10. You will need to investigate whether the bank has made the mistake or you have incorrectly shown the deposit amount in your T&O report. If it is the bank's error then contact the bank and get them to make amends. If your T&O report is in error then an adjustment is necessary in that report. Ensure you have the right correction and initial the alteration to appease the auditor.
  11. Differences that occur between your current T&O report and the current bank statements should be adjusted with explanations in the current months T&O report before completing the reconciliation.

### Things to avoid during the month

- a) Writing in the value of ebanking before seeing the bank statements for the month.
- b) Writing in the value of interest received before seeing the bank statements for the month.
- c) Forgetting to ensure that the total banking agrees with the total of funds receipted for the week.
- d) Splitting deposits between more than one bank account. It is recommended that an amount (enough to compensate for next month's anticipated expenditure) be transferred into your local bank from your CMF account by cheque or by electronic transfer.)
- e) Writing payment cheques and forgetting to include the GST.
- f) Writing different amounts on the cheque and on the cheque butt.





## Appendix 2H - Supplies Request Form

### LOCAL CHURCH TREASURERS SUPPLIES REQUEST

Church	Treasurer
--------	-----------

Bank reconciliation sheets	No.
	_____
CMF signatory form	No.
	_____
CMF deposit book/s	No.
	_____
CMF Online Application Form	No.
	_____
GST claim sheets	No.
	_____
Monthly report book	No.
	_____
Monthly report extensions	No.
	_____
Receipt book/s	No.
	_____
Tithe envelopes (box 1300)	No.
	_____
Tithe envelope - children	No.
	_____
TOORS Access Application Form	No.
	_____
Weekly analysis pad/s	No.
	_____
Other _____	

Date received	Date sent
---------------	-----------

## Appendix 2I - Need for Needy Persons

- Seventh-day Adventist Church (Victoria Conference) Limited
  - Fund for Needy Persons

•

- Rules of the fund

•

- 1. Name – The name shall be Fund for needy persons, referred herein as ‘the Fund’, being owned and operated by the Seventh-day Adventist Church (Victoria Conference) Limited, referred herein as ‘the SDA Church Victoria’.

- 2. Object and Purposes

- 2.1. To assist those who suffer from disadvantage and need of any form by providing financial and other support by way of food parcels, goods, or finances for the purpose of providing relief to persons in necessitous circumstances and poverty, where their financial resources are insufficient to have a modest standard of living in Australia.

•

- 2.2. The Fund provides:

- a) Financial support for individuals and families in our church communities throughout victoria that have demonstrated necessitous circumstances
- b) Financial support to Seventh-day Adventist churches in Victoria providing direct relief to the public, by way of food parcels, goods, or finances where necessitous circumstances have been demonstrated.

•

- 2.3. All Individuals or families receiving support must be able to prove their necessitous circumstances.

•

- 2.4. The fund will invite and receive deductible contributions from the public to provide funds for the support of persons in necessitous circumstances.

•

- 3. Administrative Arrangements

- 3.1. The fund shall be managed by an administrative committee of the board of directors, the members of which are deemed to be responsible members of the community. It shall be comprised of:

- a) the president of the SDA Church Victoria, being an ordained minister of religion;
- b) the company secretary of the SDA Church Victoria, being an ordained minister of religion;
- c) the chief financial officer of the SDA Church Victoria, being a qualified accountant;
- d) two other persons nominated by the board of directors of the SDA Church Victoria who are either practicing members of a legal profession or qualified accountants.

•

- 3.2. The functions of the committee shall be:

- a) to establish policies regarding the nature of the contributions to be made by the Fund, and procedures by which theses contributions are made, consistent with the stated objectives of the Fund;
- b) to consider the financial affairs of the Fund, and to determine accordingly the nature, value and conditions of the contributions it will offer;
- c) to select projects to support, which are being provided by local SDA churches for the direct relief of poverty, and allocate funding to successful applicants in accordance with the stated objectives of the fund;
- d) to advise Seventh-day Adventist church groups on the means by which monies can be attracted to the Fund and, in consultation with the Chief Financial Officer, determine how these monies may be managed to optimize the income needed to finance the Fund's activities.



- 4. Committee Procedures
- 4.1. The committee shall meet periodically when required, but at least twice a year, that is, for the purposes outlined in 3.2 (b) and 3.2 (c).
- 4.2. A quorum for meetings of the committee shall be three members.
- 4.3. Matters shall be decided by a majority of votes and, in the event of an equality of votes, the Chairperson shall have a casting vote in addition to a deliberative vote.
- 4.4. The committee shall keep records of all its decisions, and transmit copies to the Board of Directors.
- 
- 5. Gift Fund – A separate Ledger account and bank account shall be used for all contributions and outgoings of the fund. This gift fund must only be used for the relief of persons in necessitous circumstances, purposes as detailed above. Receipts, in the name of the fund, will be issued to all donors. The gift fund will operate on a non-profit basis, given the SDA church Victoria is a not for profit organization and registered as a charity with the Australian Charities and Not for profits Commission.
- 
- 6. Amendments to the rules - The Rules of the Fund may be changed only by unanimous decision of the committee at a meeting at which the agenda has included a statement of the proposed changes. The Board of Directors must approve the amendments. The Australian Taxation Office will be notified of any changes to these rules or the constitution of the SDA Church Victoria, which could alter its ability to receive DGR funds.
- 
- 7. Winding Up - The Fund may be wound up by a decision of the Board of Directors. In the event of the fund being wound up or dissolved, any surplus assets remaining after the payment of the fund's liabilities shall be transferred to another fund, authority or institution, which has similar objects, and to which income tax deductible gifts can be made.
-

• Client Assessment Form

- 
- NOTE TO THE ASSESSOR
- IF THE REFERRAL HAS COME FROM ANOTHER AGENCY, REVIEW THE INFORMATION WITH THE CLIENT AS YOU COMPLETE THE FORM
- 
- Remember to discuss with your client
- 
- In order to find out if we are able to help you, it is necessary to ask some questions. Are you okay with this?
  - You do not have to answer any questions although this may affect our chances of giving correct information or being able to assist you.
  - All information is confidential unless we are concerned about your safety or the safety of someone else
  - Written consent for the release of information to any other parties will be sought on all occasions
  - The assessment interview is not 'a test'
- 
- 
- 
- Name: \_\_\_\_\_  
(First) (Surname)
- 
- Address: \_\_\_\_\_
- \_\_\_\_\_ Postcode \_\_\_\_\_
- 
- ID: Centrelink / Driver License / Other, specify \_\_\_\_\_
- 
- Name of Partner (if applicable) \_\_\_\_\_
- No of dependent Children? \_\_\_\_\_ Ages: \_\_\_\_\_
- Do you have a health care card Yes / No
- Do you receive a centerlink allowance? Yes / No
- (Disability, Newstart, Single Parent, Youth, Aged, Carer)
- Have you previously received assistance from us Yes / No
- 
-



- Current Situation

- 
- Briefly describe the current necessitous need presented by the client

- 
- 
- 
- 
- 
- 

- Assistance requested by client

- 
- 
- 
- 

- Does this request meet the criteria of the fund Yes / No

- 
- 

- Assistance provided (include information of relevant referrals that you have made:

- 
- 
- 

- Follow up required \_\_\_\_\_

- 
- 

- Assessed by: \_\_\_\_\_

- 
- 

- Date: \_\_\_\_\_

- 
- 

- Evidence Sighted

## Section 3 — Risk Management and Compliance



### 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 2010).

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 OK in the camp. Church auditors are trained with the same concepts. Many auditors come with much experience, operational tips and information they have observed over many operations that save time, effort and angst.

In general most aberrations (theft, fraud, etc) in the financial realm start off when three conditions come together. These conditions are: (i) opportunity to manage financial records (cash, cheques, accounts receivable/payable, securities, etc); (ii) there are no or minimal observable controls to ensure accuracy and honesty (i.e. cash count controls, bank reconciliations, reports to members, audits, etc); and (iii) there is an individual's need for additional funds for selfish purposes (i.e. gambling, excessive debts, lifestyle etc). Even a lack of interest or the taking for granted the role and responsibility of the church treasurer may lead to a self abrogation of his or her own expectations of professionalism in the roles as trustee of Church funds.

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. By not doing so each of us becomes culpable in the event of fraud or theft.

Therefore, it is not an act of mistrust for a Treasurer of a larger church to have one or more assistant treasurers in sharing the responsibility of receipting, banking, recording the income and expenditure, writing cheques, counter signing payments, cross checking by random sampling the deacon's offering counts/ receipts, doing the bank reconciliations and reporting to the Business Meeting and the Board. In fact it is an act of building fences around those in trust positions to protect them from criticism and failure.

Likewise it is not an act of mistrust for the Treasurer of the Conference to audit the work of the local church treasurer from time to time. Again it is a fence building activity.



## Storing and Archiving of Church Treasurer's Records

Storing and archiving of financial records and minutes of meetings is guided in part by legislative requirements, such as payroll and tax records, and by the Seventh-day Adventist Church Manual and local Conference policies other financial records and minutes of meetings. See Appendix 3C for principles and guidelines.

## General and Other Insurance

Risk Management Service (RMS) is NOT an insurance company or an insurance agent or broker. It is simply a service provided by the South Pacific Division of the Seventh-day Adventist Church to assist the Church.

Local Churches are able to access RMS for all of their insurance requirements, these include:

- Building and Contents
- Worker's Compensation
- Extra Risks
- Legal Liability
- Cash
- Public Liability

Please refer to the Factsheets which are available on the RMS website.

A selection of the most commonly used forms is included here in Appendix 3 for quick reference.

However, all of the forms can also be accessed on the RMS website [www.rms.org.au](http://www.rms.org.au).



## Appendix 3A - Cash in Transit Cover

### What is Cash in Transit cover?

Cash in Transit cover protects Seventh-day Adventist Church organisations (church organisation) against the loss of cash and negotiable instruments (cash) under the care of an authorised employee or responsible officer in specified situations (most of which involve the transit of cash from one place to another), subject to the terms, conditions and exclusions outlined in this Appendix.

If your church organisation carries or holds cash in any of the specified situations, then Cash in Transit cover is recommended because cash in these situations is not covered by any other Risk Management Service (RMS) cover.

The Cash in Transit cover is not an insurance policy. Rather, it is an internal loss fund operated for the benefit of the Seventh-day Adventist Church by RMS.

**IMPORTANT:** Cash in Transit cover does not cover cash kept in the premises of any church organisation (including local church congregations). If your church organisation keeps cash in their premises, then please refer to the Cash in Safe Fact Sheet for more information.

### Does your church organisation have Cash in Transit cover?

It depends on the type of church organisation as outlined below:

Local church congregations automatically have Cash in Transit cover under the cover provided to the conference to which they belong (provided that the conference has Cash in Transit cover).

All other church organisations do not automatically have Cash in Transit cover and must apply for it if they require it (see the “How to Apply for Cover” section of this Fact Sheet).

It is also the responsibility of the church organisation to determine the amount of cover required (see the “What amount of Cash in Transit cover does your church organisation require?” section of this Fact Sheet).

**IMPORTANT:** RMS will only reimburse a loss under the Cash in Transit cover if the church organisation (or in the case of a local church- the relevant conference office) has Cash Carry & Cash in Transit cover listed on an RMS Certificate of Cover that is current and in force at the time the loss occurs.

### Whose cash can be covered?

Cash in Transit cover can be arranged for cash that is:

- The property of the church organisation.
- Held by the church organisation on behalf of a savings bank agency for which the church organisation is responsible and which is not otherwise insured.

Cash belonging to any other person or organisation is not covered by Cash in Transit cover.





## What types of cash are covered?

The following types of cash and negotiable instruments are covered by Cash in Transit cover:

- Cash (notes and coins)
- Negotiable cheques
- Postage stamps

Other negotiable instruments are not covered.

## In what specified situations is cash covered by Cash in Transit cover?

Cash in Transit cover covers the loss of cash under the control of an authorised employee or responsible officer in the following situations:

1. For salary and wages: from the bank to the church organisation premises and from the church organisation premises to places of disbursement and while there until paid out including re-carriage of unpaid cash to the church organisation premises or bank.  
PROVIDED THAT the responsibility of RMS in respect of cash not paid out on the day of withdrawal from the bank shall be limited to an amount not exceeding 40% of the relative cheque cashed or 40% of the Cash Carry limit under the certificate (whichever is lower), and further that during non-business hours, such cash is kept in a locked safe or strongroom in the church organisation premises.
2. For bank deposit and cash (other than salary and wages): from the church organisation premises until paid into the bank or post office, and from the bank or post office to the church organisation premises, excluding loss of such cash whilst in the church organisation premises.
3. For cash while carried between business premises of the church organisation.
4. For cash held on behalf of a savings bank agency: from the church organisation premises until paid into the bank, and from the bank to the church organisation premises, excluding loss of such cash whilst in the church organisation premises.
5. For cash received by a sales representative: from the time it is received until deposited in the church organisation office, bank or post office on the day of receipt.  
PROVIDED THAT where for specific reasons it is impossible for the deposit to be made on the day of receipt a further two days coverage for a maximum of AUD\$1,500 may be granted provided the cash is at all times under the personal control of the sales representative.
6. For cash collected at churches and events sponsored by churches: from the time it is received by a responsible officer, in transit between place of collection and private dwelling of the responsible officer, whilst there, and until deposited in the bank or post office on first business day after collection. If under exceptional circumstances deposit is not possible on the first business day after collection, a further two days coverage may be granted at the private dwelling of the responsible officer.  
PROVIDED THAT when cash is at the private dwelling of the responsible officer it is securely kept inside the dwelling.
7. For cash collected at an event sponsored by a church organisation (other than a local church): from the time it is received by a responsible officer, in transit between place of collection and private dwelling of the responsible officer, whilst there, and until deposited in the church organisation office, bank or post office on the first business day after collection.



PROVIDED THAT when cash is at the private dwelling of the responsible officer it is securely kept inside the dwelling.

8. For cash advanced to an employee or responsible officer for the purchase of equipment or supplies: cover is limited to AUD\$1000 and a period not exceeding 24 hours from the time the advance is first given.
9. For cash held for emergency welfare purposes: cover is limited to AUD\$500.

Loss of cash in any other situation is not covered by Cash in Transit cover.

### Are there any exclusions?

Cash Carry (max one time) \$5000 x 0.02%	\$10.00
Cash in Transit (total per year) \$1,000,000 x 0.01%	\$100.00
Total per annum	\$110.00*
*Plus GST for Australian based church organisations	


There are some exclusions that you need to be aware of. Cash in Transit cover does not apply to:

1. Any criminal act by an employee or responsible officer of the church organisation.
2. Any consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.
3. Cash or negotiable instruments belonging to or held in trust for any other organisation or person including employees and volunteers.
4. Cash left unattended in a motor vehicle unless it is locked out of sight in the boot of the vehicle for a period of time not exceeding four hours.
5. Cash posted in the mail.
6. An incident where the total loss otherwise covered by the Cash in Transit cover exceeds AUD\$10,000 and the cash was not under the control of at least two responsible persons.

### What precautions can be taken to reduce the loss of cash in the specified situations?

Here are some suggestions:

1. Where practicable, bank cash on the day it is received so that the amount of cash in transit at any one time is kept to a minimum.

- 
2. Where possible vary the:
    - a) personnel responsible for carrying cash;
    - b) times cash is carried; and
    - c) methods of carrying cash.
  3. Carriage of cash, wherever possible, should be undertaken by two responsible persons. Where a large amount of cash is carried it is a requirement that two responsible persons be involved — see the “Are there any exclusions” section of this fact sheet for more information.

### What amount of Cash in Transit cover does your church organisation require?

It depends on the type of church organisation. Local church congregations do not require any Cash in Transit cover as they are automatically covered under the cover provided to the Conference to which they belong (provided the Conference has Cash in Transit cover). All other church organisations must nominate two amounts when applying for Cash in Transit cover:

1. Cash Carry — the amount nominated should be the maximum amount of cash expected to be carried at any one time - as this is the maximum loss that the church organisation could suffer from an incident.
2. Cash in Transit — the amount nominated should be an estimate of the total amount of cash expected to be carried during the 12 month period of cover provided under the certificate of cover.

Some important items to consider when determining these two amounts are outlined below:

1. Include all cash, negotiable cheques and postage stamps. Cheques crossed “not negotiable” do not need to be included.
2. The amount nominated for “Cash Carry” is the maximum amount that RMS will pay in the event of a loss so ensure that it is sufficient to cover the maximum amount of cash carried at any one time.
3. Consider any special events or programs that may temporarily increase the amount of cash carried above the normal level.
4. The amounts nominated by Conference Offices must include the cash carried by all churches within their conference. Importantly the “Cash Carry” amount nominated by Conference Offices also applies to each individual church within the Conference. Therefore the amount should be sufficient to cover the maximum amount of cash carried by the larger churches, which may exceed the amount carried by the Conference Office. RMS recommends that Conference Offices establish a system for collecting information that allows them to reliably estimate the amount of cash carried by churches.

### How much does Cash in Transit cover cost?

The cost of Cash in Transit cover is based on the two amounts nominated by the church organisation:

1. Cash Carry — The cost is 0.2% of the amount nominated by the church organisation (plus GST for Australian based church organisations).
2. Cash in Transit — The cost is 0.01% of the amount nominated by the church organisation (plus GST for Australian based church organisations).



To illustrate, the total cost of Cash in Transit cover for a church organisation that carries a maximum of \$5000 cash at any one time and a total of \$1,000,000 in a 12 month period would be calculated as follows:

### How to apply for cover

To apply for Cash in Transit cover, complete the application form at the end of this fact sheet and return it to RMS. RMS will place the cover as soon as the form is received providing that all the required information is provided. Failure to provide all the required information may cause delay in the placement of the cover or may prevent RMS from placing the cover at all.

When your application is approved the following items will be listed on your church organisation's certificate of cover issued by RMS:

1. Cash Carry — maximum any one time.
2. Cash in Transit — total for whole year.

Church organisations should not assume that cover has been placed until confirmation is received from RMS. Please check with RMS if you are in any doubt.

### How to make changes to cover


Church organisations can request changes to their Cash in Transit cover at any time by contacting RMS using the contact details at the end of this fact sheet and clearly outlining the changes required. RMS will not make any changes to the cover without express written instructions from the church organisation.

In addition, Cash in Transit cover is shown on Property Renewal Notices and Property Certificates of Cover issued by RMS each year. Church organisations should review the Cash in Transit cover at this time to ensure that the amount of cover is appropriate. It is the responsibility of the church organisation to advise RMS of any changes that are required.

### What to do in the event of a loss

In the event that cash covered by the Cash in Transit cover is stolen or lost, or an incident occurs that is likely to cause loss, you should follow the steps outlined below:

1. Immediately notify RMS of the incident providing all available particulars of the loss. **IMPORTANT:** failure to notify RMS within four weeks of the happening of any event giving rise to a loss shall provide sufficient reason for RMS to refuse payment under the Cash in Transit cover (see also the Limitation of Time Clause in the "Other Important Information about Cash in Transit cover" section of this fact sheet).
2. Take all reasonable precautions to prevent further loss.
3. Immediately notify the police of any criminal activity and fully cooperate with any investigation including taking all reasonable steps to recover the cash. RMS will not process your loss until this has been attended to.
4. Complete a "Loss Notification Form" (copy at the end of this fact sheet) and attach records (such as receipts, petty cash records, banking slips, sales sheets and other financial documents) that



substantiate the amount of cash stolen or lost. If you are unsure how to substantiate the amount of the loss please contact RMS to ask for assistance.

5. Send the completed Loss Notification Form and attachments to either your Conference, Union, Division or Institution Office for countersigning and ask the office to forward it to RMS.

Once RMS is notified of the loss it will be registered in our system and the process of assessing the circumstances and amount of the loss will begin. For large or unusual losses RMS may appoint a third-party loss adjuster to assist with the assessment of the loss.

When the assessment is complete RMS will finalise the loss by issuing payment (where appropriate) or advise the reasons why payment is not being made.

### How much will RMS pay in the event of a loss?

In the event of a covered loss and subject to proper proof documents being provided by the church organisation RMS will pay the lesser of:

1. The amount of cash stolen or lost.
2. The amount of “Cash Carry — maximum any one time” cover in place for the church organisation as shown on the certificate of cover that is current and in force at the time of the loss.

### Is there an excess payable in the event of a loss?

There is no excess deducted from losses payable under the Cash in Transit cover.

### Other important information about Cash in Transit cover

There is some other important information that you need to know about the Cash in Transit cover which is detailed below.

1. The Church organisation has a duty of care to, at all times, exercise reasonable care to safeguard the cash and negotiable instruments against loss.
2. LIMITATION OF TIME CLAUSE: In no case whatsoever shall RMS be responsible for any loss after the expiration of 12 months from the happening of the loss unless a claim is being processed.
3. RMS reserves the right to vary the terms and conditions of the Cash in Transit cover at any time including the right to vary the cover for all participating church organisations or to apply special conditions to any individual church organisation based on their loss experience.

### Need to know more or need to contact RMS?

Phone (02) 9847 3375

Fax (02) 9489 7428

Email [info@rms.org.au](mailto:info@rms.org.au)

Web [www.rms.org.au](http://www.rms.org.au)

Mail Locked Bag 2014

Street 148 Fox Valley Road WAHROONGA NSW 2076

## Appendix 3C - Church Record Retention Policy

The following is an adaptation of the South Pacific Division working policy ADM.20.35 on "retention and safeguarding of records." It is to be used as a guide for the retention and safeguarding of church treasurers records of their local church.

### Records Management

1. In order to preserve documents of permanent value and to avoid the preservation of unneeded materials, each church should determine, record and adopt a records management system. This system will be responsible for the preservation of the following vital records:
  - a. Official minutes of the Local Church.
  - b. Minutes of standing committees.
  - c. Financial statements and records.
  - d. Legal documents including contracts, letters of agreement, etc.
  - e. Other documents such as vital correspondence from Conference Administration, Local Councils, service providers, etc.
2. The board of the local church should evaluate the legal, financial and cultural worth of various types of files and records produced by them. Such records shall be stored in one or more of the following forms:
  - a. Physical documents and files.
  - b. Microfilm, microfiche, film strips and 16mm film, etc.
  - c. Electronic media storage on tape, etc.
  - d. Primary based digital storage on a network and on hard drives.

### Safeguarding of Records

1. Each church should appoint a person to care for its archival responsibilities. In practical terms this responsibility could be divided into two groups — the local church treasurer for financial matters and documents, and the local church clerk for documented minutes and any other documents of archival worth.
2. The church should maintain a storage facility that prevents unauthorised access and provides physical security for its archival holdings that is fire, flood and vermin proof, lockable and preferably moisture-controlled.
3. Payment Card Industry Data Security Standards govern how we handle personal information in relation to credit card. Any credit card information stored needs to be protected from misuse. It is recommended that a permanent marker be used to cross out the first twelve numbers of the card number, the expiry date and the CVV code. You would then retain enough information to verify the transaction, but would not be keeping anyone's personal data.

### Access to Records

1. The church treasurer and church clerk shall be responsible for keeping a record of who has had access to vital records that are under their care.
2. Media stored electronically should be password-controlled according to established access control



limitations.

3. Non-current records that have been transferred to archives may be retrieved only by:
  - a. The originator of the document.
  - b. The administrative officers of the church.
  - c. Other elected members of the church board.

Others wishing to access the archives may do so only by obtaining the consent of the pastor or senior elder.

#### Records Retention and Destruction

1. Physical Documents and Files:
  - a. For those documents in physical form: documents and files to be destroyed shall be stored in the interim with the date of their intended destruction clearly displayed.
  - b. Files to be preserved permanently may be kept in hard copy and/or microform at the discretion of the Board.

2. Electronic Documents and Files:
  - a. For those documents in electronic form: Information stored in electronic form and maintained in harmony with the Records Retention Schedule shall be:
    - i. Stored in a single standard format. (Preferably Microsoft PC format).
    - ii. Filed in a reliable electronic archival management system.
  - b. To prevent the corruption of the storage backup, additional archive storage options will be implemented.

3. Documents of a confidential nature (e.g. personal information, reports, etc), shall not be disposed of in waste paper bins, but shredded or, where available, forwarded to the Conference, which deals with document destruction.

	OFFICE	(ARCHIVES)	FORMAT	TOTAL TIME	DISPOSE
Corr	2-3	Permanent	ORIGINAL	Permanent	(If on micro, shred originals)
s Corr	2-3	Permanent	ORIGINAL	Permanent	(If on micro, shred originals)
s Working papers	2	5	ORIGINAL	7 Years	Shred (If on micro, shred originals)
es	2	Permanent	ORIGINAL	Permanent	(If on micro, shred originals)
e Reports	1	6	ORIGINAL	7 Years	Shred Financial Statements
	2	Permanent	ORIGINAL	Permanent	(If on micro, shred originals)
asset Register	2	Permanent	ORIG/MICRO	Permanent	(If on micro, shred originals)
s/Vouchers	2	Permanent	ORIGINAL	10 Years	Shred originals
ocuments	2	Permanent	ORIGINAL	Permanent	
;	2	Permanent	ORIG/MICRO	Permanent	
s*	2	Permanent	ORIGINAL	Permanent	
;	2	7	ORIGINAL	10 Years	(Then micro, shred originals)
Records*	Permanent	Micro/Photo	ORIGINAL	Permanent	

4. Document destruction should be deferred if litigation or investigation is anticipated.

#### Care of Financial Records

All ongoing financial contracts and other long term agreements affecting future years financial budgets will be recorded in church minutes and the treasurer will keep copies with his/her files. The treasurer and the church



clerk shall be responsible for the preservation of local church financial records under the guidelines.

Key to Codes:

Perm, Permanent: for permanent preservation.

Micro: either on microfilm or microfiche.

Original: preserve in original form, unless "if on micro" is indicated when original(s) may be shredded.

Photo: photocopy.

\* These items should be kept in a fire and burglar proof safe and/or strong room.

\*\* Access to records less than 30 years old are generally restricted.

Note: Archival storage space for all forms of paper documentation, whether letters, files, bound documents, etc, is generally limited. Scanning of such documents onto digital storage is the preferred option. For the permanent preservation of all types of documents, the statutory requirement is to microfilm them.

A more extensive and comprehensive schedule, designed particularly for large organisations, is available as a supplement to the South Pacific Division Records Management Manual.





## Section 4 — Budgeting and Reporting

### The Purpose of Financial Reports

The purpose of financial reports is to assist with decision making and give account for funds managed under trust. In order for financial reports to be useful and achieve their purpose of assisting in decision-making, they must exhibit two key elements, viz. timeliness and accuracy.

If financial reports are produced that are extremely accurate, but are not issued in a timely manner, then the information becomes out-of-date and is of limited use for decision-making. Further, if the financial reports are completed very quickly and delivered to the users in a timely manner, but are not accurate, then again decision based on this data is likely to be flawed. The old adage of “garbage in – garbage out” applies with respect to financial information and the quality of decision-making.

Accuracy of financial data is best achieved with good internal controls at the transactional level and ensuring that financial reports reconcile back to the bank statement, etc.

Budgeting is also an important part of the financial planning of a church, and provides authorised amounts that can be spent in evangelism and the various church departments and ministries. Once approved by the church board or business meeting, the annual budget also provides a benchmark for tracking income and expenditure over the budget period, and important information for effective financial control to avoid overspending or unauthorised allocation of resources.

### Record Keeping

From the receipting process to reporting to the Church Business meeting, the treasurer is fully involved in the financial recording of the Church’s finances. It is at the quarterly Business Meetings that the treasurer discharges his/her duties to the church members. At that point the Business Meeting attendees should ask meaningful questions and receive transparent answers. On the vote of the Business Meeting, an affirmation is given on the financial report numbers, which is effectively a sign off on the church’s financial income and expenditure report including the bank balance. It is recommended that a recent copy of the bank reconciliation statement should accompany financial reports to the Business Meeting.

The quarterly report presented to the Business Meeting is kept as simple as possible without going below the minimum requirements. (i.e, the K.I.S.S. principle of keeping it simple without a loss of vital information). Refer to the principals outlined on the following page.

It is good practice to ask the members of the Board/Business Meeting what details they require to make good decisions on scarce resources (i.e. the local church funds).



“The treasurer is the custodian of all church funds. These include:

- (1) conference funds,
- (2) local church funds, and
- (3) funds belonging to auxiliary organisations of the local church.”

Church Manual Ch.11 (Revisions 2010)



Rather than prescribe a “one type fits all” sample set of church reports, the following principle should be followed for professional reasons that comply with the principles of generally accepted accounting practice.

Treasurers will notice that, with very few exceptions, income and outgoings fall into three clear-cut categories, which are outlined below.

### Minimum Disclosure Points

Firstly, there are tithes and offerings that flow through the Church financial records as “Conference Funds” and are destined for higher organisations. Your T&O report records the flow of Conference funds each month as simply what comes in must go out in the same month as it is received. So outgoings are a given. Examples are Tithe, Sabbath School offerings, Mission Extension offerings, etc.

Secondly, there are those funds that are destined for local church use either by offering allocation, individual donations, or fundraising activities conducted by the church and its members. Your T&O report records the incoming of those funds and the outflow of those funds month by month in accord with expense documentation and budget allocations. Examples are Local Church offerings, Stewardship giving, Local Building fund, etc.

Thirdly, there are those funds we call auxiliary or trust money collected on behalf of an auxiliary organisation or operation. These funds are held in your local funds until they are passed onto the auxiliary organisation/ operation as and when calls/account payments are made for those funds. (See also Offerings for Auxiliary Funds/Organisations). Examples are Pathfinders, Asian Aid, Fly 'N' Builds, Signs Campaigns, etc.

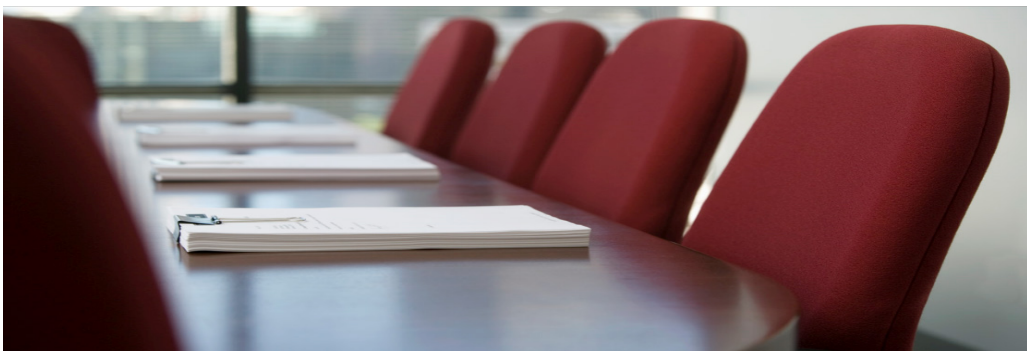
### Recommendation

The Church Treasurer’s report to the Board/Business Meeting should show separately the cash flow activity of the basic types of funds. Below is a very basic illustration that you may need to expand and detail in accord with the needs of your Board and Business Meetings. Your 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 objectives of your Church.

Conference Funds	Local Church Funds	Auxiliary (Trust) Funds
Tithe \$	Income	Pathfinder Fund
SS Offerings	Local Offering \$	Income \$
13th Sabbath Offering	Personal Min.	Expenditure
ADRA Int.	Etc	Balance
Avondale	Less Expenditure	Asian Aid
Annual Sac.	Council Rates	Income \$
World Mission	SS Exp	Expenditure
Etc	Etc	Balance
Total Conf \$		Another Fund etc
	Total Local Fund Balances \$	Total Auxiliary Fund Bal \$

### Note

1. The total of Local Fund balances and Auxiliary Fund balances should equal the total balance of your last T&O report balance and will be reconciled to the combination of a current Church Management Fund balance and a current Westpac Bank balance plus cash held on hand (if any).



It is incumbent on the Treasurer to give ample opportunities as well as to encourage members of the Board/Business Meetings to ask searching questions, and to seek assurances of good recording and reporting practices.

Remember, that quality questions by church members are not necessarily a sign of distrust, but of seeking of assurance to confirm the members trust in the treasurer.

2. There is no need to show the outgoings of Conference Funds as that is a given under the regular T&O reports to the Conference.

For those Church Treasurers who use the Electronic Tithes & Offering system online, they will find reporting templates that can be used for your reporting needs. Those who are adventurous may attempt to tailor make their reports by modifying the electronic version or exporting to an Excel file and creating their own report style.

Section 6 of this book outlines a procedure summary of the online Electronic Tithes and Offering system.

## Reporting to the Church Business Meeting and Board

“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 2010).

It is a requirement that the Local Church Treasurer present a written report to the Church Business Meeting and Board on a regular basis. The form of the report presented to Business Meetings is largely governed by the information requirements of the Church Members and the Board. However, it is recommended that what is reported to the Business Meeting and the Board must, for consistency and trust reasons, be compatible in form and dollar (\$) values to the monthly reports presented to the Conference Office.

“The budget should be presented to the church for its study and adoption, and for plans to assure that funds shall be provided to balance the budget during the coming year. Funds to meet the church expense budget may be raised by offerings or subscriptions. Members should be urged to support their local church in proportion to their financial circumstances” — Church Manual Ch.11 (Revisions 2010).

See Appendix 4A for tips on preparing a church budget.



## Timeliness

The Conference has mandated that treasurer's monthly reports be submitted to the Conference no later than the 10th of the following month. Therefore, it is possible to give a report of current figures to the Board and Business Meetings that are no more than one month old, except in exceptional circumstances.

In the interest of "good governance" and of the expectations of "trust" that church members have placed in the treasurer, it is recommended that no fewer than four reports be presented to the church Business Meeting in a year. If circumstances deem that four reports 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.

In addition, it is considered best practice to present financial reports or at least a summary of the financial report to every Board Meeting. The currency of the figures presented at either the Business or Board should not be so out-of-date as to be useless in making financial decisions



## Appendix 4A - Tips for Preparing a Church Budget

There are several approaches to preparing a forecast of future income and expenditure. They include: (a) starting with last year's budget figures and comparing them to actual expenditure and making a guesstimate (an educated estimate) of what the forecast will be; (b) doing much the same as in (a), but consulting with the pastor and church officers, and adding or subtracting numbers based on what the future promotions and activities that each officer plans to do; and (c) starting with a zero base (starting from "scratch") and building up an estimate of future income and expenditure based on anticipated income and planned activities of the church.

1. Whatever approach you take it is recommended that you consider breaking your expected income into two categories: (a) income that is practically guaranteed to be received such as the weekly expense offering that has not changed much over the years provided that your congregation mix (juniors, youth, working families, farmers, retired, etc) remains fairly static; and (b) income that could be erratic, such as special fund raising. Sometimes budget giving can be static or erratic. Where it is impossible to estimate fairly accurately, it is recommended that you take a conservative approach in your estimate (e.g. best estimate times 70-90% say).
2. With expenditure there are basically two types: (a) fixed expenditure bills that arrive regularly and can be estimated with a fair degree of accuracy. These bills include council rates, power bills, insurances, pest controls, routine maintenance, etc, all of which generally relate to the functioning of your facilities of worship and other buildings and equipment; and (b) variable expenditure that is generally activity related such as Sabbath School (although SS quarterly costs may remain fairly static), Church evangelism, Adventurers, socials, etc.) It is recommended that with these items that the treasurer consults with the board, the Pastor and those members who are responsible for those activities that generate the variable costs.
3. Finally after all the estimates are in place the treasurer, with the Board, determines what can be afforded in the coming church year.
4. After the Board's approval of the budget, it is recommended that the budget be presented at the earliest to the Church Business Meeting.
5. At subsequent Boards and Business Meetings it is then the responsibility of the Treasurer to present subsequent financial reports that disclose the current financial status of the church's finance. Where a budget is prepared and approved by the Board/Business Meeting may be expected that the treasurer will include a running comparison of "actual" local church income and expenditure as compared with the 'year to date' proportion of budget income and expenditure.

### Advantages of a budget

Luke 14:28 says, "Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?" (NIV).

- a) Knowledge of what the organisation can achieve with scarce resources.
- b) Early detection of unwanted or unexpected trends with income or expenditure.
- c) Predetermined income and or expenditure avoids overruns of costs.
- d) Department heads have a clear idea of their specific scope for activities and constraints in finance.
- e) Reduces the need of day-to-day approvals or otherwise of expenditure requests.

## Section 5 — Church Growth – Grants and Loans



### Tithe Reversion (Victorian Conference Evangelism Incentive Fund)

There are two sources of Conference grants for Evangelism — General Evangelism and Tithe Reversion.

#### Tithe Reversion

The Victorian Conference has a strong commitment to local church based evangelism programs and seeks to encourage participation in evangelism through an incentive scheme known as "Tithe Reversion."

In brief, the scheme allocates an amount equal to 3% of tithe received for the period 2 years prior to the current year. The allocation is held until it is called upon by the church (maximum three years).

Applications for funding under the Tithe Reversion Scheme should be voted on by the Church Board before an application is sent to the Conference. Approval of the application will be

Refer to Appendix 5 for relevant forms and guidelines.

#### General Evangelism

Where Tithe Reversion funds prove insufficient to support a particular church evangelism need, the church can apply to the Conference Evangelism Coordinator for funds from the Conference Evangelism budget.

### Church Building Grants and Loans

Appendix 5C has been included to provide forms and policies in relation to church building grants from SPD and loans that are available.

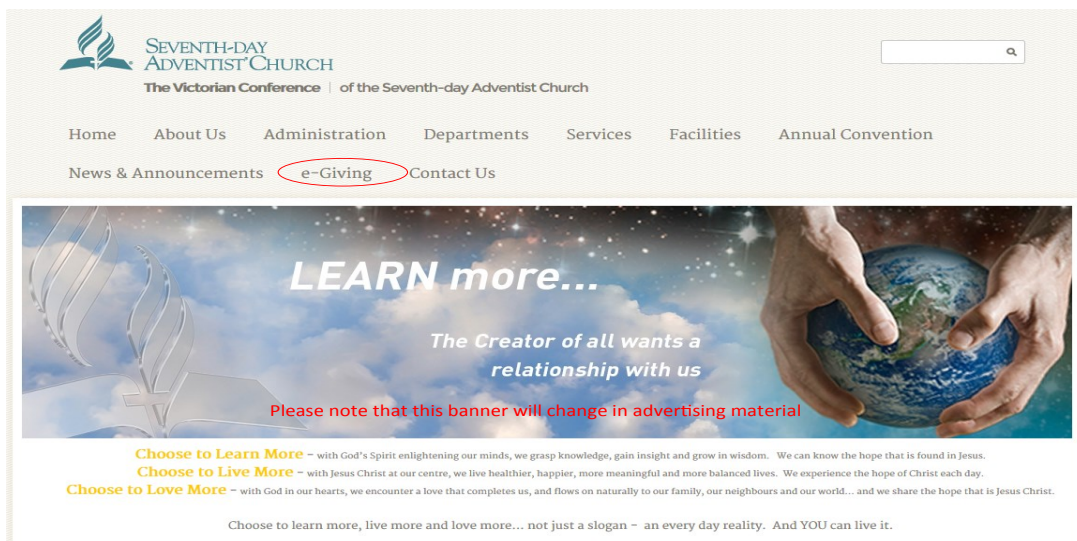


# Appendix 5A - Guidelines for processing Tithe and Offering Donations on The eGiving Website

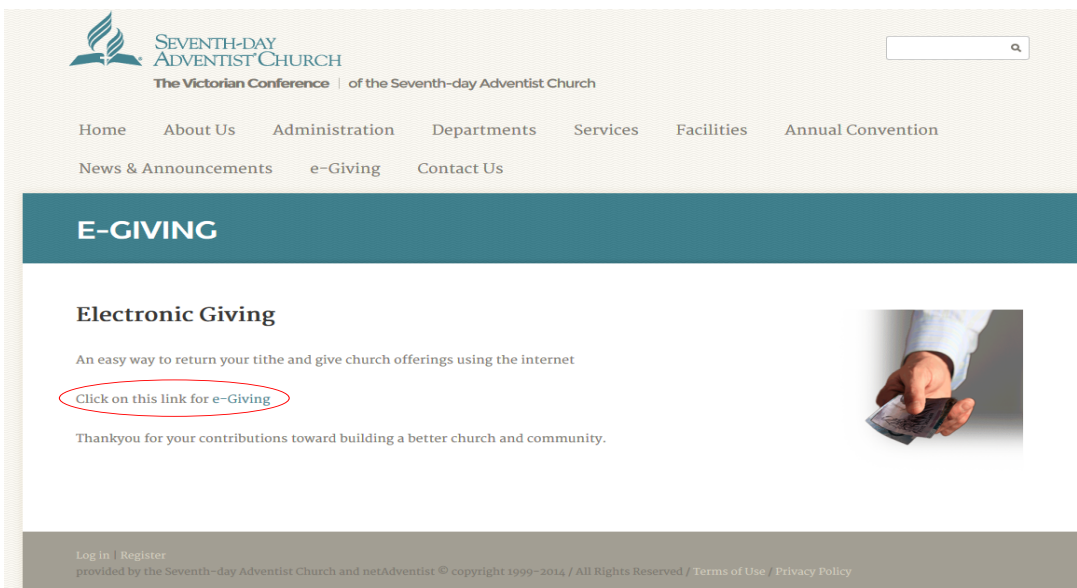
The eGiving website has been commissioned primarily to provide a way for members who are comfortable with paying their bills on-line to also honour their commitments to God through the internet.

The eGiving website can be accessed by going to the website [http:// vic.adventist.org.au](http://vic.adventist.org.au) and clicking on the eGiving option, or alternatively can be accessed directly by going to <https://egiving.org.au>.

**If you have chosen going through the Victorian Conference website, the first step is to choose the e-Giving tab.**



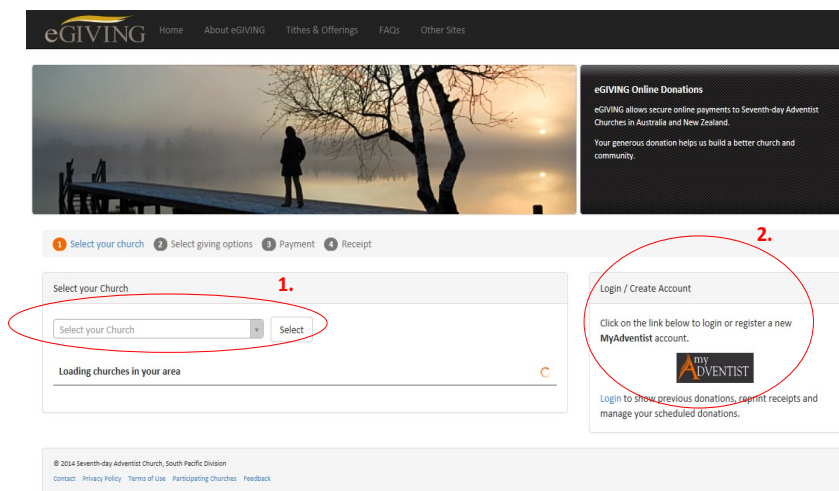
**In the next window choose the link for E-giving this will direct you to the E-giving website**



The below window shows the E-giving website, this is what you will see if you choose to go directly to <https://egiving.org.au>

There is two ways you can start this process: (Please note all payments are named Donations)

1. If you want to do an **anonymous donation** do not login or create a 'My Adventist Account' just select the church to which you would like to donate.
2. Log in to or create a **'My Adventist Account'** once you have logged in using this method proceed to select the church to which you would like to donate.

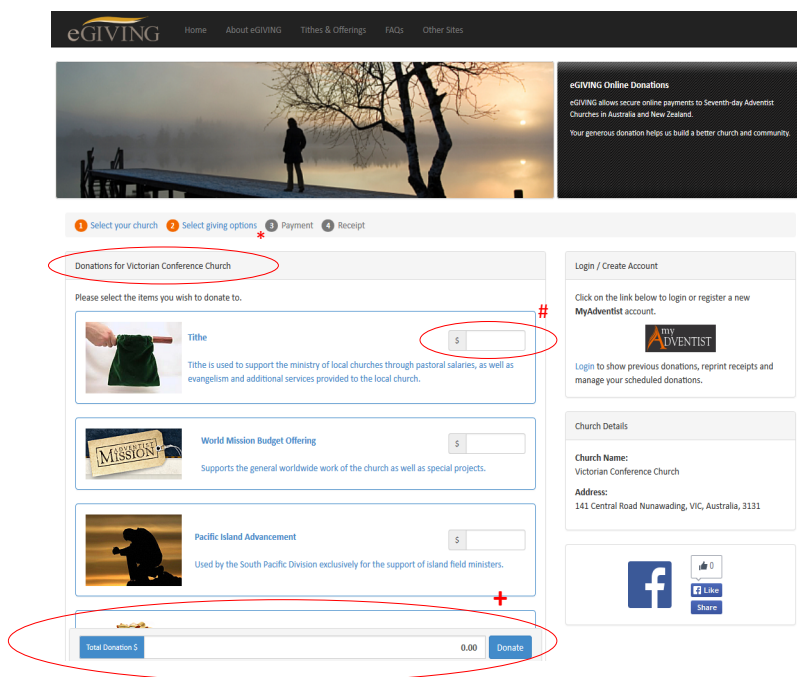


To see that you have chosen your correct church it will state it in the top text box above all the list of donations that you can make to or via the church selected \*.

As you scroll down the page you will see the list of donations that you can make to or via the church selected.

Place the amount that you wish in the donation box/s of your choosing #. (Amounts must be between \$2 and \$100,000.)

The Total Donation box + on the bottom of your screen will tally the amount of your donations. When you have made all the donations you require click on the 'Donate' button on the right hand side +.







**You will now be directed to the payment page.**

1. The first box will show a summary of your donations.
2. The second is your payment method option - please note you will need a current email address if you wish to receive a payment confirmation/receipt.
3. Once you have chosen your payment method and filled in your relevant details click on the confirm your payment. If you would like to make recurring donations you will need a 'My Adventist' account and log in.
4. Once your payment has been received you will receive a payment confirmation email/receipt.

The screenshot shows the eGIVING online donation interface. At the top, there is a navigation bar with the eGIVING logo and links for Home, About eGIVING, Tithes & Offerings, FAQs, and Other Sites. Below this is a banner image of a person on a pier at sunset. To the right of the banner is a text box titled 'eGIVING Online Donations' explaining the service and its purpose.

A progress indicator shows four steps: 1. Select your church, 2. Select giving options, 3. Payment, and 4. Receipt. The current step is 'Payment'.

The main content area is titled 'You are donating to Victorian Conference Church'. It contains a summary of the donation (1) showing a title of 'S 2.00' and a total of 'S 2.00'. Below this is a section for choosing a payment method (2) with three options: 'Credit or Debit Card' (selected), 'Recurring Donations', and 'BPAY'.

The 'Credit or Debit Card' section (3) includes a form with fields for: Donor's first name, Donor's last name, Email for receipt, Amount (AUD \$ 2.00), Name on card, Debit/Credit card number, Debit/Credit card expiry (07/2014), and CVV code. There are also logos for Mastercard and Visa.

At the bottom of the form is a 'Privacy' section stating: 'Your name and email will be excluded in the donation details supplied to the recipient of the donation unless required by tax rules or other relevant legislation.' Below this is a 'Confirm Payment' button (4).

On the right side of the page, there is a 'Login / Create Account' section with a link to register a new 'My Adventist' account and a 'Login' link. Below that is a 'Church Details' section listing the church name as 'Victorian Conference Church' and the address as '141 Central Road Nunawading, VIC, Australia, 3131'.

## Appendix 5B - Tithe Reversion Evangelism Funds

### CHURCH EVANGELISM TITHE REVERSION HOW THE FUND WORKS

- Each year the conference budget allocates an *equivalent* 3% of the Tithe that will be made available to local churches.
- Allocations for this year are based on the tithe returned two years ago. When applying for funds please use this official Conference form. Applications need to be voted by your Church Board and signed by your Church Treasurer before submission to the Conference.
- If funds are not used within three years of allocation, the allocation is lost for use by your church. i.e. In January 2014, funds not used from the 2012 allocation will not be available in 2015 and will be utilised in Conference based evangelistic activities throughout Victoria.

Please make sure that the Funding Requests are ex GST, as you can claim the GST back from the ATO, therefore giving you a little more to spend on Evangelism.

The following types of programs will generally qualify for support from the Evangelism Reversion funds:

\*Bible based outreach such as:

- Public Evangelism
- Seminars (IE Daniel, Revelation)
- Bible Study Lessons
- Bibles
- Videos
- Tracts

\*Equipment for use in Evangelism such as:

- Video Projectors (but not screens or computers)

\*Pastoral Support Personnel i.e. ministry volunteers

\*Signs Outreach and Ministry

\*Global Mission Projects

\*StormCo

The Evangelism Committee will consider all other requests that fall outside these examples on their individual merits.

Under normal circumstances “stand alone” bridge building (e.g. Family and Health Seminars, concerts, displays at shows etc) and welfare programs would not qualify for support from Church Evangelism Reversion Funds. Neither does the purchase of sound equipment. Local church funds support these.

In order to claim the funds available to your church we will require a photocopy of all receipts and a report on the project. 100% of the claim will be paid at this time. Should your church have insufficient funds to pay for these expenses prior to claiming, please contact the Conference Treasurer to discuss an advance pending finalisation of claim – [graememoffitt@adventist.org.au](mailto:graememoffitt@adventist.org.au) or phone 03 9264 7777)

If you wish to know what funds are available for your church Janelle Cameron [janellecameron@adventist.org.au](mailto:janellecameron@adventist.org.au) or phone the Conference office on 03 9264 7777.



# Victorian Conference

## EVANGELISM FUNDING APPLICATION

### from Church Evangelism Reversion Plan

Name of Church .....

Description of Program and Results: (if insufficient room please attach another page)

*(please refer to guidelines on reverse side for information on projects which will be approved from this funding)*

.....

.....

.....

.....

<p><b>PROPOSED BUDGET:</b></p> <p><b>Advertising:</b></p> <p>    Newspaper/radio           \$.....</p> <p>    Handbills                   \$.....</p> <p>    Letterboxing Cards/Tracts \$.....</p> <p><b>Materials:</b></p> <p>Videos                         \$.....</p> <p>Bibles/Lessons/Tracts       \$.....</p> <p>“Signs” Magazines           \$.....</p> <p><b>Equipment:</b></p> <p>.....                             \$.....</p> <p><b>Pastoral Support Personnel</b> \$.....</p> <p><b>Refreshments</b>               \$.....</p> <p><b>Road to Bethlehem</b>           \$.....</p>	<p>Others:</p> <p>.....                             \$.....</p> <p>.....                             \$.....</p> <p>.....                             \$.....</p> <p>.....                             \$.....</p> <p><b><u>Total Cost Budgeted =</u></b>       \$</p> <p style="text-align: right;">=====</p> <p><b>Amount of Funding Required =</b> \$</p> <p style="text-align: right;">=====</p>
---	--

Date voted by Church Board: .....

Church Treasurer: .....

Signature:..... Date:.....

For Conference Office Use:

Date Received:.....

Payment approved of \$.....

Approved by: ..... On .../.../2014

# Appendix 5C - Guidelines for SPD Church Fund Grant Applications

## Guidelines for SPD Church Fund Grant Applications

It is recognised that the cost of establishing a new congregation in many of our cities makes it impossible for them to ever have a church building. To help the church in these situations, the South Pacific Division has established a church building fund from which to make significant grants. These guidelines provide the principles for the granting of these funds for new church buildings in major urban areas.

### Fund Use

The fund is available to assist with the following types of development:

1. Establishing a new church facility (land and building).
2. Building a new facility on already owned land.
3. Extensions to an existing church building that significantly expands its seating capacity.

### Principles for Fund Distribution

The Division Fund will not meet all needs, so a process of prioritisation has been put in place. Because of the varying needs of churches and their different costs and incomes, it is not possible to have a set formula for assistance. Each church will be treated differently so as to be able to acquire a building.

The emphasis of the fund is to provide assistance so that a project will happen within a year or two. This approach may mean that in some years few churches will be assisted. In other years, no churches may be assisted so as to build up the fund to make major grants if that is what the committee deems is necessary.

The following principles are designed to serve as the foundation for prioritising this distribution of funds.

1. Funds are to be used for the strategic acquisition of church property.
2. Distribution of funds will be for the support of new church buildings, major extensions to existing buildings or a land acquisition to enable a congregation to build a church worship facility. These funds will not be available for renovations.
3. Where funding is for new Church Buildings, priority is to be given based on the following criteria:
  - a. Demonstrate evidence of predominantly Kingdom Growth rather than transfer growth.
  - b. Strategic plans demonstrate a clear mission focus. Financial commitment is not to inhibit growth or divert this focus.
  - c. A facility that is multipurpose rather than single usage. Some priority will be given to projects that have the potential of generating income to assist with loan repayments.
  - d. The church must demonstrate its capacity and willingness to grow.
  - e. Division supported Global Mission and Church Planting projects to receive some preference.
  - f. Union and/or Conference financial commitment to the project.
4. In addition to the above:



- a. Where a grant is requested by an existing church with a building it must demonstrate:
  - i. That it is significantly expanding its seating capacity, or
  - ii. That it is relocating/amalgamating to expand its capacity and mission potential

In both these cases Division grants will be given in the form of interest subsidies with capital assistance provided by the conference and union.

b. Where a grant is requested by an existing church with no church building, a capital grant may be made from the Division fund or from the conference and/or union and it may be given in the form of an interest subsidy over a longer period.

5. All churches applying to the fund must be able to demonstrate their financial capacity to borrow and are expected to fully utilise their own funds and borrowing capacity for the project.
6. In all cases sustainability of plans, is to be demonstrated through the presentation of a comprehensive business/mission plan.
7. Unions are encouraged to provide a church acquisition consultation service to applicant churches prior to any grant being approved.
8. In cases where the Division has given grants to purchase church properties, which are later sold and not reinvested back into another church property, then the original grants are to be returned to the Division.
9. An exit option is to be included with each application should the church reach a situation where it is no longer viable. Viability measures to include:
  - a. Size.
  - b. Leadership.
  - c. Mission.
  - d. Finances.
  - e. Doctrine.

#### Fund Considerations

1. The fund may underwrite minimum financial requirements for up to five (5) years on properties where an income is to be generated until it reaches its expected potential.
2. Assistance with repayments may be made from the fund while the church is being established.
3. Congregational leverage is to be fully used before grants are made.
4. Incentives may be provided to fast track plans to encourage the congregation to be financially self sustaining.

#### Strategic Land Acquisition

Strategic land acquisition is the responsibility of the Union and/or Conference.

#### Application Process

The following application process is to be administered in the granting of funds from the reserve:

## Guidelines for SPD Church Fund Grant Applications

It is recognised that the cost of establishing a new congregation in many of our cities makes it impossible for them to ever have a church building. To help the church in these situations, the South Pacific Division has established a church building fund from which to make significant grants. These guidelines provide the principles for the granting of these funds for new church buildings in major urban areas.

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The emphasis of the fund is to provide assistance so that a project will happen within a year or two. This approach may mean that in some years few churches will be assisted. In other years, no churches may be assisted so as to build up the fund to make major grants if that is what the committee deems is necessary.

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  - b. Strategic plans demonstrate a clear mission focus. Financial commitment is not to inhibit growth or divert this focus.
  - c. A facility that is multipurpose rather than single usage. Some priority will be given to projects that have the potential of generating income to assist with loan repayments.
  - d. The church must demonstrate its capacity and willingness to grow.
  - e. Division supported Global Mission and Church Planting projects to receive some preference.
  - f. Union and/or Conference financial commitment to the project.
4. In addition to the above:
  - a. Where a grant is requested by an existing church with a building it must demonstrate:
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    - ii. That it is relocating/amalgamating to expand its capacity and mission potential



In both these cases Division grants will be given in the form of interest subsidies with capital assistance provided by the conference and union.

b. Where a grant is requested by an existing church with no church building, a capital grant may be made from the Division fund or from the conference and/or union and it may be given in the form of an interest subsidy over a longer period.

5. All churches applying to the fund must be able to demonstrate their financial capacity to borrow and are expected to fully utilise their own funds and borrowing capacity for the project.
6. In all cases sustainability of plans, is to be demonstrated through the presentation of a comprehensive business/mission plan.
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8. In cases where the Division has given grants to purchase church properties, which are later sold and not reinvested back into another church property, then the original grants are to be returned to the Division.
9. An exit option is to be included with each application should the church reach a situation where it is no longer viable. Viability measures to include:
  - a. Size.
  - b. Leadership.
  - c. Mission.
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  - e. Doctrine.

#### Fund Considerations

1. The fund may underwrite minimum financial requirements for up to five (5) years on properties where an income is to be generated until it reaches its expected potential.
2. Assistance with repayments may be made from the fund while the church is being established.
3. Congregational leverage is to be fully used before grants are made.
4. Incentives may be provided to fast track plans to encourage the congregation to be financially self sustaining.


#### Strategic Land Acquisition

Strategic land acquisition is the responsibility of the Union and/or Conference.

#### Application Process

The following application process is to be administered in the granting of funds from the reserve:

1. All applicants are to complete the South Pacific Division Australia and New Zealand Church Grants Application Form, which can be provided to you by your conference CFO. This application form outlines what information needs to be prepared as part of your submission to the Division Church Fund Grant Committee.

- 
2. Applications will be considered once each year for approval or provisional approval by the Division's Church Fund Grant Committee. All applications must be supported by the Union and Conference.
  3. A business/mission plan is to accompany each application. This business/mission plan is to provide the following details:
    - a. Purpose statement.
    - b. Growth goals.
    - c. Demographic study indicating evidence of future growth.
    - d. Leadership development plans.
    - e. Financial plan showing.
      - i. Revenue streams.
      - ii. Annual budget.
      - iii. Congregational capacity to service loans.
  4. Your completed application form is to be sent to your conference CFO for processing in sufficient time for it to be processed by the conference and union.

#### Reporting

Financial and mission reports showing the progress being made by the church are to be provided to the Church Fund Grant Approval Committee before their meeting each year. Grant recipient churches will be notified of the due date for this report by the Union or Conference.





# Appendix 5D - SPD Church Grants Application Form

## **SOUTH PACIFIC DIVISION AUSTRALIA AND NEW ZEALAND CHURCH GRANTS APPLICATION FORM**

Proposals must comply with the requirements of the Church Fund Grant Funding Rules for funding and any requirements specified in this form.

**PROJECT ID:**

Total number of sheets contained in this Proposal

*Information on this form and its attachments is collected in order to make recommendations to the Church Fund Grant Approval Committee on the allocation of financial assistance and for post grant reporting. Information contained in this Proposal can be disclosed without your consent where authorized or required by law.*

### **PART A - ADMINISTRATIVE SUMMARY**

#### **A1 APPLICANT CHURCH**

Name

#### **A2 PROJECT TITLE**

(Provide a short descriptive title of no more than 10 words).

#### **A3 PARTICIPANT SUMMARY**

##### **A3.1 Participant Details**

Enter details of the Person/s responsible for the implementation and ongoing oversight of the project.

Surname	Initials	Position Held	Experience/Qualification	

**A4 REQUESTED SUPPORT**

How much is being requested? \$ \_\_\_\_\_

**A5 ADDITIONAL DETAILS**

**A5.1 Have you submitted or do you intend to submit a similar funding request to any other organisation?**

Yes  No

**If Yes is selected above, please give details of the request being made:**

**A5.2 What is the Union and/or Conference financial commitment to the project?**

**A5.3 Is this a Global Mission or Church Planting project?**

Yes  No



## **PART B - MISSION AND GROWTH POTENTIAL**

### **B1 STRATEGIC PLACEMENT**

Provide a statement outlining the argument for placement of the Church within the community.

### **B2 MISSION**

#### **B2.1 Mission Statement.**

Attach a copy of the church's mission statement

#### **B2.2 Evangelistic Strategy.**

Attach a copy of the church's evangelistic strategic plan

(Should demonstrate evidence of predominantly Kingdom Growth rather than transfer growth.)

#### **B2.3 Five year plan.**

Attach a copy of the church's five year plan

**NB: Strategic plans demonstrate a clear mission focus. Financial commitment is not to inhibit growth or divert this focus.**

### **B3 GROWTH**

#### **B3.1 Membership and attendance data.**

List membership data for last three years

<b>Year</b>			
<b>Membership</b>			

Provide average attendance data (including children) for one Sabbath each quarter

<b>Quarter</b>				
<b>Attendance</b>				

#### **B3.2 Potential for Church growth.**

Provide any research with regard to potential for church growth.

- a. Growth goals
- b. Demographic study indicating evidence of future growth

#### **B3.3 Tithe and Giving .**

Give actual tithe and giving record for past three years

<b>Year</b>			
<b>Tithe</b>			
<b>Offerings</b>			
<b>Local</b>			
<b>Other</b>			

## PART C - PROJECT DESCRIPTION

Please provide the following information.

### C1 PROJECT TITLE and DESCRIPTION

Provide a description of your project on no more than one page and attach to this application.

### C2 TYPE OF FUNDING ASSISTANCE REQUESTED

Tick each relevant box.

- Approval in Principle. When an application is being made for assistance to give certainty so as to be able to move ahead and purchase a church property, supply as many of the application details as possible.
- Interest Free Loan
- Grant

### C3 TYPE OF PROJECT

- New Building Costs
  - Establishing a new church facility (land and building)
  - Building a new facility on already owned land
- Existing Church Building
  - Extensions to an existing church building that significantly expands its seating capacity  
What is the church's present seating capacity? \_\_\_\_\_  
What will be the seating capacity of the new facility? \_\_\_\_\_
  - Relocating/amalgamating to expand its capacity and mission potential

Provide board/business meeting minutes on type of facility

- Amalgamating Churches
  - Amalgamating to expand church's capacity and mission potential

Name churches amalgamating:

\_\_\_\_\_  
\_\_\_\_\_

Have you had discussions with your conference regarding amalgamation?

Yes  No

If yes please provide details:



**C4 PROJECT PLANS – For construction of new buildings or major extensions**

Please provide the following as applicable.

- Site plan (Single Page)
- Basic Floor plan (Single Page)

**C5 SPECIAL CONSIDERATION**

If you believe this project requires special consideration please give the reasons:



## **PART D - PROPERTY DETAILS**

Please provide the following property details.

Is land already owned?    yes       no  

Legal owner of the Property: \_\_\_\_\_

Property Title: \_\_\_\_\_

Allotment No: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Where is Property Title held?

\_\_\_\_\_  
\_\_\_\_\_



### **PART E - PROJECT COST**

Costs should be quoted exclusive of the GST.

#### **E1 BUDGET DETAILS**

Commencement Year of Project

Loan/grant Amount Requested

Are plans fully costed?      Yes       No

Attach a copy of the 'Rough Order of Cost'.

Attach a copy of the project budget.

#### **E2 FINANCIAL PLAN**

Provide a clear financial/business plan to manage and service loans. This statement to include:

- i. Current assets and or sale of assets (as applicable)
- ii. Revenue streams and income potential of the project
- iii. Annual budget
- iv. Financial capacity to borrow/Congregational capacity to service loans
- v. Detailed plan to service loan (as applicable).

### **PART F - EXIT AGREEMENT**

Should the church reach a situation where it is no longer operationally viable we agree, that after a process of consultation with both the local conference and the Division Church Fund Grant Committee, to sell the property to recover Division assistance made to the church.

Viability measures may include:

1. Size
2. Leadership
3. Mission
4. Finances
5. Doctrine

Signed: \_\_\_\_\_  
                    Authorised Church Rep

Date: \_\_\_\_\_

Witnessed: \_\_\_\_\_  
                    Conference CFO

Date: \_\_\_\_\_



**CONFERENCE APPROVAL**

The \_\_\_\_\_ Conference has considered this application and endorses this submission for funding support.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Conference CFO

Please provide a statement regarding how this project will impact on the 'Conference Long-Term Plan.'

**UNION APPROVAL (if applicable)**

The \_\_\_\_\_ Union has considered this application and endorses this submission for funding support.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Union CFO





## PART G – COMMITTEE FUNDING APPROVAL

*(For Office use only.)*

Date application received: \_\_\_\_\_

Date presented to committee: \_\_\_\_\_

Request granted? Yes  No

Amount granted: \$ \_\_\_\_\_

Type of finance approved:

Grant  Interest Free Loan

Terms and conditions of grant/loan:

Committee Action No: \_\_\_\_\_ Date: \_\_\_\_\_

## Appendix 5E - SPD Policy Book Extract on Loans

### Fin.30.36 LOCAL CHURCH LOANS (A)

1. In general, loans for local church buildings shall be available only in Australia and New Zealand. Seventh-day Adventist Church Limited may, in special cases at the request of the Union Mission concerned, extend the benefits of this policy to churches in the island field. The approval of such a loan in no way commits any organisation to the granting of an appropriation or any additional appropriation to the project.
2. 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.
3. 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 nett 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.30.35 Financing of Church Buildings.

4. 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.
  - vii. 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, 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.
- iv. In passing on loan requests with their recommendation, each local Conference shall accept the terms of this policy and the resulting obligations.
- v. Union Conferences similarly shall accept the obligations of the policy when they approve loans and advise the loan fund manager accordingly.

5. 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 installments of both principal and interest over a period of not more than 10 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 installment amount may be varied accordingly.
- c. Bridging loans shall stipulate a term, which shall not exceed the lesser of two (2) years from the date of the initial drawdown, or 18 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 installment, 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 Seventh-day Adventist Church 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 Seventh-day Adventist Church Limited. Should an organisation default in repayment, or not have sufficient funds in its Cash Management Facility account to meet the repayment installment, 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 Seventh-day Adventist Church Limited. In such cases, 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 (3) 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.

6. External Loans: external church loans are to be sourced and arranged by Seventh-day Adventist Church Limited or by an arrangement with a financial institution that has been approved by Seventh-day Adventist Church 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 20 years.
  - d. Bridging finance for interest-only loans shall stipulate a term which shall not exceed the lesser of two (2) years from the date of the initial drawdown or 18 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.

## Appendix 5F - Loan Application Requirements of Policy

### LOAN APPLICATION

#### GENERAL REQUIREMENTS OF POLICY

1. Property must be registered in the name of the regular Trustee for the church in the area, and the property title held in safekeeping by the Trustee.
2. Building projects must have plans and specifications approved by Building Plans Committees at the local Conference, Union or Division levels according to the size of the project, before the loan is authorised and before building operations commence.
3. Buildings must be insured at replacement value through the South Pacific Division Risk Management Service.
4. In no case shall construction commence, or any contractual obligations be entered into unless:
  - a) 55% of the entire cost of the building, including initial furnishings, is in hand in cash, readily negotiable securities or a church approved loan.
  - b) The responsible authorising committee is satisfied that the arrangements for raising the remaining 45% of the cost of the project are realistic and conform to denominational policy. Construction work shall proceed and obligations shall be incurred only to the extent that funds are actually available and after authority has been received from the conference.
5. A loan request for building may not exceed 50% of the entire cost of purchase and/or construction of the church. For expansions or major renovations of existing churches it will not exceed 50% of the current value of the property. This may be increased up to 75% when 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 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.
6. Annual repayments on a loan can not exceed 40% of the average annual title receipts for the church, calculated on receipts over the most recent two-year period plus 80% of property's net lease income derived from leases with a term greater than one year plus denominational appropriations for loan repayments committed for at least half the term of the loan.
7. The likely effects of increasing interest rates should be considered.
8. A schedule of repayments is sent to the Borrower once the loan has been fully drawn. The schedule may be adjusted if significant changes occur in interest rates. The final repayment may include any minor balance outstanding. Early or special repayments are encouraged where the borrower is able.
8. Borrowers are required to operate a Cash Management Facility Account and agree that the loan repayments be debited automatically to that account at the specified interval according to the loan repayment schedule adjusted if necessary for changes in interest rates.
10. Organisations guaranteeing loans must consider the ability of management and the controlling board/committee to control the project including a check of how the organisation plans to care for any unforeseen matters.

#### UNION OFFICE USE

Loan Application	Date	Amount
Received		\$
Approved		\$
Loan Released		
Total		\$



# LOAN APPLICATION

(Under South Pacific Division Building/Property Loan Policies)

We hereby apply for a denominational loan under South Pacific Division Building/Property Loan policies as follows:

1. Loan Applicant: \_\_\_\_\_

If a church state number of members: \_\_\_\_\_

2. Loan Purpose: \_\_\_\_\_

\_\_\_\_\_

If for a school state number of students: \_\_\_\_\_

3. Total estimated cost of project: \$ \_\_\_\_\_

4. Loan requested:

a) Buildings (up to 50% of project cost or up to 75% of the purchase of commercial property)

i) Amount \$ \_\_\_\_\_

ii) % of Total cost \_\_\_\_\_ %

b) Extension or major renovation (up to 50% of project cost)

i) Amount \$ \_\_\_\_\_

ii) % of Total cost \_\_\_\_\_ %

c) Other Amount \$ \_\_\_\_\_

5. Loan Type (Tick one)

- Church and School Building Loan (Max 10 yrs) - Church & School Building Loans Policy
- Bridging Loan (Max Lesser of 2 yrs from date of initial drawdown or 1.5 yrs from date of last drawdown)
- External School Loan (Max 20 yrs) - Loan Term External School Loans Policy
- External Church Loan (Max 20 yrs) - Local Church External Loans Policy
- Other Loans (Max 10 yrs) - Denominational Property Loans Policy

6. Term of loan requested: \_\_\_\_\_ years.

Note: The term of the loan should be kept to a minimum and must not exceed the maximum allowable in 5 above.

7. Repayments will be made as follows: (Tick one)

- Monthly
- Quarterly
- As per attached schedule (Bridging Loans only)

Note: The applicant organisation is required to operate a Cash Management Facility account and agree that loan repayments be debited automatically to that account.

8. Where the loan applicant is a church, the annual repayments can not exceed items b) + c) and + d).
- a) Average annual tithe received by the church during the past two years \$ \_\_\_\_\_
  - b) 40% of average annual tithe \$ \_\_\_\_\_
  - c) 80% of property's net lease income from leases with a term greater than one year \$ \_\_\_\_\_
  - d) Denominational appropriations for loan repayments committed for at least half the term of the loan \$ \_\_\_\_\_

9. BUILDING PROJECTS - PROJECT INFORMATION

Is the land fully paid for?  YES  NO

In whose name is it registered? \_\_\_\_\_

Have plans and specifications been approved by Union/Division Building plans committees?

YES  NO

Which Committee? \_\_\_\_\_ Date \_\_\_\_\_

Final estimate Project cost

Architect fees \$ \_\_\_\_\_

Contract Price \$ \_\_\_\_\_

Materials/Labour input \$ \_\_\_\_\_

Initial furnishings \$ \_\_\_\_\_

Landscaping (Includes fencing & paths) \$ \_\_\_\_\_

Contingencies \$ \_\_\_\_\_

Other Costs (Itemize in Broad Detail) \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

Basis for estimating cost increases \_\_\_\_\_

Proposed date for commencement \_\_\_\_\_

Expected time when loan monies will be required \_\_\_\_\_

Expected date of completion \_\_\_\_\_

10. Resources available at the date of application

Details \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

Percent of resources to total project cost % \_\_\_\_\_





## Victorian Conference of the Seventh-day Adventist Church

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