

## SPECIAL PURPOSE FUNDS

### **Revised Rules approved by Diocesan Council on 8 June 2011**

1. An approved Special Purpose Fund is a fund –
  - (a) established by resolution of a Parish Council;
  - (b) for one or more of the purposes stated in either item 1 or item 2 or item 3 of the Diocesan Council's Deductions Policy;
  - (c) approved by or on behalf of the Diocesan Council; and
  - (d) held by AnglicanFunds – South Australia.

Parish representatives may seek clarification regarding specific circumstances. They are initially encouraged to contact the Diocesan Office for guidance and then if necessary, apply in writing to the Secretary of Synod.

2. Following a resolution of Parish Council, applications are to be made to Diocesan Council by letter to the Secretary of Synod applying for a Special Purpose Fund and indicating the purpose of the Fund.
3. The Special Purpose Funds must be held with AnglicanFunds-SA who will provide investors or account holders with at least half yearly reports on investment results and activity in each of the Special Purpose Funds.
4. By resolution of the Parish Council, invoices can be sent to Diocesan Office for payment if they comply with these guidelines and the approval given by Diocesan Council.
5. The Parish must submit a copy of the financial accounts for each of its special purpose funds in conjunction with the submission of its annual financial accounts for assessment purposes.
6. Diocesan Council reserves the right to reassess the treatment as a Special Purpose Fund where the use of the fund is considered inconsistent with that for which it was approved.
7. These rules will be applied for Special Purpose Funds approved after 1 January 2011.



Anglican Diocese  
of Adelaide

## **Deduction Policy**

**Revised Policy approved by Diocesan Council on 8/06/2011**

The Assessment Ordinance under section 18 defines "Assessable income" of a parish as meaning the annual income of the parish less expenses of such nature as the Diocesan Council shall from time to time determine.

This Policy sets out items that the Diocesan Council has approved as exempt income and deductible expenses for the purposes of calculating the Assessable income of a Parish.

### **Preamble**

In allowing these deductions it is recognised that deductions do not change the amount of assessment income to the Diocese but rather they impact on how assessment is shared between parishes.

The principle behind this Policy is to support the following priorities:

1. Encouraging Growth through mission activities.
2. Support for Parishes undertaking Diocesan functions.
3. Maintenance of Property.

The policy also recognises that monies received by a Parish on behalf of an external organisation and forwarded within a reasonable time frame to that organisation should not be included when determining Parish Income.

### **1. Encouraging Growth through mission activities:**

These deductions recognise expenses incurred by a parish for activities that seek to grow the Church and thereby providing benefits to the wider Anglican Community.

- (a) The total of the combined employment costs for specific Youth, Family and Children's ministry positions are deductible up to the stipend and allowances of one first year Deacon per parish per year.
- (b) Financial support to "Church Plants" to grow a new parish or congregation or for the "re-potting" of an existing parish or congregation by a sponsor parish. To encourage sponsored parishes and congregations to become independent the deductions are limited to a maximum period of 5 years.
- (c) To be eligible for a deduction a church plant or re-potting initiative must be approved by the Mission and Evangelism Ministry Unit on the recommendation of the regional Archdeacon.

- (d) The sponsoring parish is eligible for deductions of the actual costs of a church plant or re-potting up to an amount equivalent to the stipend and allowances of a Parish Priest for each year.

**2. Support for Parishes undertaking Diocesan functions.**

These deductions relate to parish expenses that assist the broader objectives of the Diocese.

- (a) Grants paid to other Anglican parishes or congregations external to the sponsor parish within the Province of South Australia or to projects of the Adelaide Diocese are deductible.
- (b) The stipends and allowances of staff in training positions approved by the Education and Formation Ministry Unit are deductible, including Assistant Curates, Student Ministers and Ministry Traineeships both pre-ordination and up to 5 years post-ordination.

**3. Maintenance of Property**

Whilst maintaining property is considered a core responsibility of Parishes it is also desirable to encourage a planned maintenance programme.

- *Parishes that hold property will be allowed an annual deduction of up to \$15,000 for maintenance expenses for a minimum expenditure of \$5,000.*
- *Deductions will not apply for operational expenditures such as minor maintenance, rates and taxes, insurance and so forth which should be met from parish operational funds.*
- Expenditure (including interest on loans) for new capital purposes such as improvements will not be deductible.
- Higher rates of deduction may be approved by the Diocesan Council for the repair and maintenance of buildings registered on the State Heritage list.
- New Parishes or congregations without property will be allowed a deduction for payments into an approved special purpose fund for the construction or purchase of a building for church purposes.

**4. Donations to Mission or Charitable organisations:**

Payments made by the Parish to external agencies conducting mission linked to the work of the Anglican Church and to funds that attract tax deductibility will be allowed as a deduction against assessable income.

**5. Direct expenses:**

Expenses directly related to fundraising activities of the Parish or costs incurred in deriving income from leasing property and investments will be allowed as a deduction. (These can not be greater than the revenue from each source).

## **6. Donations to an Approved Special Purpose Fund**

*Payment into an approved Special Purpose Fund for any of the purposes listed in items 1, 2 or 3 will be deductible in the year of payment into the fund, provided that:*

- (a) *The total payments to the fund in any one year are not less than \$5,000;*
- (b) *The deductible amount in any one year for a purpose stated in item 3 shall not exceed \$15,000 or, in the case of a fund for the repair and maintenance of a building registered on the State Heritage list, such amount as may be approved by the Diocesan Council.*

### ***Payments from an Approved Special Purpose Fund***

*A payment for a purpose listed in items 1, 2 or 3, where made directly or indirectly from an approved Special Purposes Fund will only be deductible if applied for a purpose for which the approved Special Purpose Fund was created.*

#### **Notes:**

##### **Income to be excluded from assessment:**

- Grants received by Parishes from the Diocese, Anglicare-SA or Government.
- Any monies received by the Parish on behalf of a separately constituted Mission or charitable organisation as approved by Diocesan Council or the Secretary of Synod.
- Payments received from insurance claims or the long service leave fund.
- The capital proceeds from the sale of any property held in trust for the Parish where it represents a transfer of assets from property to cash or other investments held in trust for the Parish. However any income earned from cash or investments will be considered assessable income.

Any expenditure related to any excluded income or non assessable is not allowable as a deduction for assessment.

##### **Unusual circumstances**

Parish representatives may seek clarification regarding special circumstances in any area of deductions. They are initially encouraged to contact the Diocesan Office for guidance and then if necessary apply in writing to the Secretary of Synod.

##### **Implementation**

Diocesan Council reserves the right to withdraw a specific assessment deduction in the circumstance where a parish makes that payment from income not declared in their assessable income.

##### **Stipends & Allowances:**

The stipends and allowances referred to in this policy are those approved by the Diocese of Adelaide for the year of the expense.