

# Western Regional Conference

## Minister's Personal Finances Part 2

Presented by  
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# Minister's Personal Finances – Part 2

Ministry Expense Accounts

Housing allowances for personal homes

Planning your Long Service Leave

Motor vehicle purchases

# Minister's Personal Finances – Part 2

## To begin with...

### Talk to your Parish Council

- Budget time, beginning of the new year, with new parish council and BEFORE you start at a new parish get it in writing !

### Make sure you BOTH understand your entitlements

- Saves grief later on!

### Read and understand the Diocesan Guidelines

- Copy on the CD you have received

### If in doubt, call Clergy Services

- Contact details in material

# Minister's Personal Finances – Part 2

## Ministry Expense Accounts (MEA)

### What are they ?

- Used to record the 'ministry related expenses' of ministry staff
- In the form of Parish owned bank accounts and as liabilities of ministry staff
- NOT solely controlled by minister; can be signatory
- Personal vs. Parish credit cards

### Who can get one ?

- Taxation Ruling 92/17
- 'Religious Practitioner'

### What can they be used for ?

- Australian Taxation Office view – broad interpretation
- Sydney Diocesan view – prudent interpretation
- Only for payment of ministry related expenses per the Diocesan Guidelines

# Minister's Personal Finances – Part 2

## Ministry Expense Accounts (MEA) - cont'd

### How to administer an MEA

- KISS principle
- Negotiate with Parish Council what the parish will pay and what will be paid from the amount set aside in a MEA
- Payment upon reimbursement, not in advance of incurring expenditure
- Where possible parish pays direct to third party
- Accumulated MEA account pay out (taxable); roll over to next year use for large purchase (e.g. car, computer)

### Allowance vs. reimbursement

- Tax implications if paid incorrectly
- TR 92/15

# Minister's Personal Finances - Part 2

## Ministry Expense Accounts (MEA) - cont'd

### Example:

The Parish of St. John's determines that mobile phone costs be paid from the minister's MEA:

### The **WRONG** way: Allowance (assessable in hands of minister)

At the beginning of each month the parish places a predetermined amount of \$250 into the personal account/credit card of the minister. The minister then uses these funds as and when the bill comes in to be paid.

### The **CORRECT** way: Reimbursement (non-assessable)

The minister presents his mobile bill for payment, deducting personal usage. The Parish pays the bill directly to the provider OR reimburses the minister directly for an exact amount

# Minister's Personal Finances – Part 2

## Housing Allowances for personal homes

### When ministry staff live in their own home

- Housing allowance payable in addition to a stipend, travel allowance etc
- Administered through a MEA
- Negotiate with Parish Council amount of allowance
- Loan repayments made direct to third party lender by parish
- 'Redraw' and 'Equity' accounts OK
- 'Offset' accounts not effective, as not paying loan off direct

### When ministry staff live in a parish residence and own another

- Not ministry related expenditure in terms of Diocesan guideline

# Minister's Personal Finances – Part 2

## Planning your Long Service Leave

### Current system

- 10 weeks for 10 years of service
- More than 10 years service 5 weeks per 5 years
- Resignation/Retirement paid out prorata after 10 years service
- Entitlement 'portable' between diocese
- Paid for by the parish via Parish Cost Recoveries system ~~each mo~~

### Housekeeping before you go

- Archdeacon's consent
- Notify Clergy Services ASAB months notice

# Minister's Personal Finances – Part 2

## Planning your Long Service Leave - cont'd

### Entitlements during your leave

- Normal stipend and allowances (except for travel variable entitlement) paid by parish
- Parish reimbursed by LSL fund at a notional stipend rate (\$792 pw = \$41,206pa)
- PLUS a bonus! – the supplementary allowance of \$632 pw paid from the LSL fund to the parish, then passed on to minister after tax

### Retirement or resignation

- Take it before you go!
- Take it as it accrues

# Minister's Personal Finances – Part 2

## Motor vehicle purchases

### Purchasing options

- Parish buys the car have an agreement in place
- Minister buys the car parish pays third party directly using funds set aside in MEA designated as travel allowance (fixed and variable)

### Getting the best deal

- Obtaining fleet and other discounts do your homework first!
- ACS Fleet 1300 729 322
- SMB Fleet Management 0452 9600 [www.smb.com.au](http://www.smb.com.au)
- Southgate Fleet Management 1300 132 725 [www.southgatefleet.com.au](http://www.southgatefleet.com.au)
- Letter from Clergy Services

# Minister's Personal Finances – Part 2

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