

5 CHAPTER FIVE: FINANCE – PERSONAL SUPPORT

5.1 Personal Support for Accredited Representatives

EWS is a Charitable Institution and has Tax Deductible Gift Recipient status and other ATO exemptions and concessions and is also subject to oversight by ACNC and ASIC. The ATO has granted EWS a Private Ruling that applies where accredited Full Time Representatives substantially perform a role or duties equivalent to a Religious Practitioner of a denomination, specifically undertaking “Pastoral Care”. Thus Full Time Representatives primarily undertaking pastoral care qualify for an exemption under Benefits Tax law to receive Personal Support or payments considered to be Exempt Benefits. Payments thus received under these guidelines are non taxable and in some cases non reportable in the hands of the Representative.

These guidelines are to be adhered in order for EWS and REPs to continue to qualify for the special dispensations allowed by the ATO which are of great financial benefit to EWS, all EWS staff & donors.

The EWS Admin Support Officer (ASO) and Financial Support Officer (FSO) are directly responsible to the Chief Commissioner (CCOM) and the Treasurer as the representatives of the EWS Board for the operation and governance of all EWS Personal Support.

The EWS Board specify that the arrangement between EWS and an accredited Representative is a voluntary arrangement and at no time does the arrangement give rise to an employment agreement or that of a self employed contractor. The agreement to pay the Representatives monies received by EWS as Personal Support for the REP (less 12.5% administration levies) is a commitment by the Board and totally dependent on the funds received by EWS from donors specifically designated as being for the support of that Representative.

It is recommended that each Representative begin raising support funds prior to entering into full time service with EWS. Each Representative should discuss their plans for raising their support funds with the CCOM, so that assistance and training in this area can be arranged as required. EWS will work with the Representative in raising these funds.

5.2 Personal Support Donations

Personal Support funds are all donations received designated as being for support of an Everyman’s staff member, whether the donor is known or anonymous. These monies may be by “one-off” donations or regular contributions made through direct deposit, direct salary crediting, credit/debit card, cheques and cash posted or deposited into donation boxes (marked for personal support). EWS HQ is responsible for the receipting and accounting of all donations including all Personal Support funds. It is vital that all payments be made directly to EWS and on no account are funds to be deposited to a representative’s personal account. Should a donation be made by cheque in favour of

an individual, the cheque is to be endorsed "Please pay Everyman's Welfare Service" and signed on the reverse side. It should then be forwarded directly to HQ who will attend to banking it to EWS.

Any unpaid balance of Personal Support at the end of the EWS financial year will be shown in the annual accounts as being available for payment to the Representative in the new financial year.

All Personal Support funds will be levied 12.5% to contribute towards administration, training and development costs.

All Personal Support funds received on base or Centre as cash, cheque or money order are to be banked into the EWS Centre Account at the respective Base. The name and address of the donor is to be forwarded to EWS HQ with the Deposit Summary (Form 4.15) to enable correct receipting and full acknowledgement (see Chapter 4). The ASO will transfer personal support donations to the EWS General Fund to enable timely payment to staff.

Under no circumstances are REPs to collect Personal Support by rattling a tin (or similar) in a public place. REP's are required to make personal, or written, contact with potential supporters, seeking their prayer and financial support.

All Personal Support funds received at EWS HQ are to be banked into the EWS General Fund.

Following the end of each quarter the ASO or FSO will provide each REP with a printout of supporters for that period, giving name and address of each donor. It is expected that staff will contact their supporters to thank them for their gift.

5.3 Taxation Requirements for Personal Support Donations

The EWS Personal Support guidelines are in compliance with the requirements laid down by the ATO and amounts paid to eligible Accredited Staff as Personal Support are recognised as payments under the Fringe Benefits Taxation law.

EWS is a Not for Profit Organisation with special concessions & exemptions, and the Australian Taxation Office requires all donations contributed for the personal support of any EWS Representative to be deposited into an EWS Account. This includes all anonymous donations and all donations from anyone not requiring a tax deduction for their donation.

Personal Support Funds can only attract tax deductibility if the donor understands that the funds belong to Everyman's Welfare Service and it is at the discretion of the Board as to whether the donation is passed on to the nominated staff member. It is, however, the Board's intention to honour the wishes of donors with regards to donations being passed on to the nominated staff member.

Personal Support may be taken as cash or taken as an Exempt Benefit payment. The Board directs that no more than 70% be taken as an Exempt Benefit payments with the remainder to be taken as

taxable income, less superannuation at the rate prescribed in the Superannuation Guarantee (Administration) Act 1992.

The above proportions have been established after reviewing practices in mainstream churches and giving consideration to the intent of the ATO's rulings.

Any questions regarding treatment of a representative's income should be directed to their financial advisor and/or where appropriate Centrelink.

Representatives need to be aware there may be implications when receiving Exempt Benefit payments when applying for Government support. There may be a distinction between payment systems and entitlements with different government agencies such as the ATO and Centrelink.

Examples may include Family Tax Payments A and B, which come under the ATO Income tax legislation and require disclosure of "adjusted taxable income". As Exempt Benefit payments are non reportable the amounts paid by EWS as Exempt Benefits may not need to be declared as income when applying for Family Tax Payments A or B.

However for Government support payments administered under Centrelink such as Parenting Payments etc the income test is different. In determining a person's eligibility and assessing a person's income, Centrelink may take into account Exempt Benefits provided that the benefit is a 'valuable consideration'. Thus Representatives may need to declare amounts paid as Exempt Benefits as income when applying for Centrelink payments.

5.4 Procedure for Personal Support Payments to Accredited Staff

Before Personal Support payments commence, the Staff member must complete and forward them to the ASO at EWS HQ:

- Personal Particulars & Bank Details Form 5.1.4A
- Personal Support Form 5.1.4B
- Tax File Number Declaration (ATO form)
- Superannuation Choice Form 5.1.4C

The ASO is responsible to the CCOM for the processing & payment of all staff payments, Exempt Benefit payments, superannuation and PAYG tax and also for the issuing of all staff payment advices, donor reports and Annual PAYG Summaries for all staff.

Personal Support is usually paid fortnightly, monthly or quarterly (as a lump sum) and cash component is taxed on payment to the staff member. Payment advices are issued to the representative each pay period and will indicate payment period amounts and year to date amounts reflecting the gross cash received.

All staff are paid by direct deposit to each staff member's personal bank account. It should be noted that if the staff member's bank account is not at a branch of Defence Bank where HQ conducts its business, then the transfer may take an extra day or two.

5.5 EWS Thank Offering to REPs Following Deployment

The Criteria Determining the Granting of Thank Offerings to REPs by the Board

For a Representative deploying:

- on exercise to an ADF designated training area
- on Overseas Operations with the ADF
- who is operating for sole purpose of delivering Everyman's Philanthropic Evangelistic ministry to the ADF
- who is consistently out field or on Overseas deployment for a period in excess of two weeks with the express purpose of ministry to the ADF

The following achievements may apply to the aforementioned with regard to a potential **Thank Offering** from the Board being granted to the REP concerned.

The granting of the Thank Offering on the recommendation of the CCOMM or Acting CCOMM where the REP in question has exhibited dedicated service deeming such an offering being warranted (a tithe being the minimum criteria, where possible).

Dedicated service must be measured with respect to the following areas:

1. The REPs conduct and commitment to outreach in the manner encouraged by EWS, in line with our Core Values and Mission Statement
2. The REPs co-operation, with and consideration towards senior EWS staff and other EWS staff with them out field
3. The REPs co-operation with and consideration towards all ADF members, particularly senior ADF staff administering the exercise, including ADF Chaplains and RSDS REPs
4. The REPs commitment to referring locally unsolvable matters to EWS HQ in a timely manner

The voracity of any complaints against the REP whilst on exercise, by any of the other participants in that exercise, being ADF, ADF Chaplains, fellow EWS Staff, or RSDS staff, must first be fully investigated by Senior EWS Staff before any Thank Offering can be granted. If in the opinion of the CCOMM the complaints are groundless, then the CCOMM may exercise his discretion in the granting of the Thank Offering.

5.6 Payment of Wages to Non-accredited Staff

Office staff are to be paid wages at the appropriate Award or agreed rate in the Employment Contract.

Wages are to be paid by the same procedure applicable to accredited staff.

5.7 Superannuation

Superannuation Guarantee is paid by Everyman's on salary payments to staff members from personal support donations for REPs and from EWS funds for Non Accredited Staff. The amount of super calculated is shown on pay slips. Superannuation is calculated at the rate and method prescribed in the Superannuation Guarantee (Administration) Act 1992. .

A Representative may wish to make a member contribution to their fund. This personal contribution can be claimed as an Exempt Benefit and is usually tax exempt. Some personal contributions to Superannuation may also attract a Government co-contribution. If a Representative wishes to make a personal contribution an arrangement should be made by sending a written request to the ASO at EWS HQ.

5.8 Defence Housing

- 5.8.1 Full time REPs may be eligible for a Defence Housing Australia (DHA) home near to the Centre and Sponsoring Unit. Rentals are set according to the ADF scale for housing type and \$1400 per month is indicative (2019). The housing agreement is between the member and DHA although the ADF have directed payment be made through EWS.
- 5.8.2 Prior to an application being made for a DHA Residence, Reps should read and sign (being sure they fully understand the implications of) the Defence Housing Covenant (Form 5.7.2A). When the Defence Housing Covenant has been signed, the Financial Plan approved by the CCOM and EWS HQ, and the bond (aligned to one month's rental) has been paid, an application form (Request for DHA Residence Form 5.7.2B) is to be submitted to Chief Commissioner for consideration. EWS require monthly rental to be paid on the 1st of each month in advance. Payments should be made directly to EWS and will be held in a rental trust account until remitted. Alternatively, the payment may be made from Personal Support funds where adequate funds are available and the member is eligible for Exempt Benefits.
- 5.8.3 In the case of rent arrears there is only one month's grace allowable (the one month's bond money). In that time the Rep must urgently appeal for personal support. If by the end of that month there is not a new financial plan in place, submitted in writing to, and agreed to by EWS HQ to make monthly rent payments then EWS HQ must hand the Defence residence back to DHA, after which the EWS Representative's residence administration is handed in its entirety, back over to DHA. The Rep (in terms of the residence) then comes under the administration of DHA and must vacate the residence as per the local DHA outlet's direction.
- 5.8.4 When a Rep is posted to a new location, the CCOM puts in a posting order to ADFSS. Once this has been approved by ADFSS, the CCOM forwards the necessary documentation to the Rep, who then engages the local DHA authority with regard to the shift. During relocation, rent payments are to continue monthly in advance, as described above. DHA will advise EWS

HQ of any changes to the rate of rent payable. Where the daily rate of the two residences differs, two invoices will be issued for that month.

5.9 Exempt Benefits

As stated in the opening of this chapter Exempt Benefits are payments to accredited full time Representatives and PAYG tax is not required to be deducted providing certain requirements as set by the ATO are met. Accredited Representatives should bear in mind that the ATO may vary or withdraw the Private Ruling at any time.

Exempt Benefits payments can only be paid on original invoices, receipt/dockets. EWS then pays the third party directly. The Representative is to complete an Expense & Exempt Benefit Claim Form (Form 5.8), attach original invoice or receipts and forward it to the ASO at HQ who will seek approval to pay from the CCOM. An approved claim will be paid promptly, usually within 1 week and a receipt sent to the Representative as evidence of payment.

For payment of a credit card statement the original dockets/invoices must be attached to the statement, a credit card statement in itself is not acceptable substantiation. The amount paid must be items on the statement or total of a number of items. It is also unacceptable to pay a lump sum off a credit card.

A Representative may be reimbursed for a payment made, but only when evidence is presented that the representative made the payment and the original invoice/docket is presented.

Representatives should also be aware that if they request an expense to be paid as an Exempt Benefit they will not be able to claim that expense as a tax deduction in their tax return. Please consult your tax advisor on this matter.

5.10 Type of Exempt Benefits

The following list provides a basic range of expenditures that may be paid as Exempt Benefits. (It should be noted that this list is not exhaustive and may be modified to suit the individual situation, at the discretion of the CCOM subject to the FBT legislation from time to time).

- Private Motor Vehicle Expenses such as:
 - Car Insurance & Car Registration
 - Car Loan repayments
 - Petrol/Gas & Oil & Parking Fees
 - RACQ etc, Membership

- Repairs and Maintenance & Car Washes
- Home Expenses such as:
 - Electricity &/or gas
 - Insurance & rates
 - cleaning & maintenance
 - garden expenses, lawn mowing and the like.
 - Home Internet/Email fees
 - Home Telephone bills
- Personal Mobile Phone bills
- Payment of a Housing Mortgage
- Rental accommodation fees
- Personal Life Insurance Premiums
- School Fees
- Private Health Fund Contributions
- Un-recouped medical, dental & chemist bills
- Payment of Personal Credit Card Account (only if original dockets are attached).

5.11 Part Time Representatives

Part Time Representatives are not eligible for Exempt Benefits as EWS is not able to meet the conditions of the Private Ruling requiring compliance with the “substantial pastoral care” element of their activities.

5.12 Travel Expenses

5.12.1 Authorised Activities

Everyman’s will fund travel and accommodation of all Directors and Staff when undertaking authorised activities. HQ approval must be received prior.

PHILOMAN Para 2.19 permit Defence Units to authorise certain allowances, including Travel, Incidental, Meal and Field Allowances for accredited Representatives.

All prepayment of travelling expenses required must be made by HQ to the supplier prior to travel. Use either Purchase order form or Centre Visa account & fax to HQ for payment.

If a trip is taken and payment was not made prior to travel, an Expense & Exempt Benefit Claim Form (Form 5.8) may be submitted for reimbursement of costs. Reimbursement will only be made on pre-approved travel following submission of relevant original tax invoices.

When utilising messes or other catering arrangements while operating at normal place of operations, the costs of rations and quarters are the responsibility of the REP, just as in all other forms of engagement where the ATO does not recognise these costs as business related, rather normal living expenses.

5.12.2 Personal Support Raising Deputations

In the case of an Accredited Philanthropic Everyman's Representative, doing personal deputation to assist in their personal finances, the following criteria for financial support from EWS may apply:

In the event the REP has:

- a. been invited to present a message on their work to an interested or currently supporting congregation, and/or secular service club
- b. with the said secular service club possessing the primary aim of supporting the serving ADF members and veterans
- c. in an area where there are full time active Defence Bases with the potential of sponsoring an Everyman's ministry to the serving members of the ADF

EWS may, upon receipt of the formal application of the approved **Deputation Travel Financial Support Request**, to EWS HQ, and signed by the REP, consider reimbursing that REP up to **50% of the cost of return transport/flight** (excluding accommodation) to and from the said venue for the purpose of:

- d. Highlighting their need for personal support
- e. Inviting the requesting organisation to consider supporting an Everyman's REP in that area
- f. and/or personally encouraging in that area, a individual candidate for EWS's consideration to serve in a unit in that same local area

*Release of funds for this purpose will be at the final discretion of the CCOMM or acting CCOMM upon submission of the **Deputation Travel Financial Support Request** and accompanying relevant invoices.*

