

CHURCH FINANCES



Updated 7th April 2020

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JobKeeper Payment scheme

Update 7 April 2020

Registered charities will be eligible for the JobKeeper payment if their revenue declines by **15 per cent**.

Josh Frydenberg announced on April 5th that “Charities that are registered with the national regulator will be eligible for the Morrison Government’s \$130 billion JobKeeper Payment if they have suffered a 15 per cent decline in turnover as a result of the coronavirus.

Legislation to be introduced into the Parliament this week will include a concessional test for ACNC registered charities given the benefit they provide to the Australian community. A reduced threshold at which a charity is considered to be substantially affected by the coronavirus, as compared to businesses and other not-for-profits, will support a sector which is expected to have a significant increase in demand for its services.”

[Click here to see Treasury website.](#)

At the moment, **the important things are:**

1. **Register** at <https://www.ato.gov.au/general/gen/JobKeeper-payment/>
2. Start thinking if/how your church total income has reduced by more than 30% (or 15% if registered charity)

Summary

Many churches will be eligible for a payment of \$1,500 per fortnight for each staff member for up to 6 months. For this purpose, a staff member is someone on the churches books and being paid on 1 March 2020. Churches will have to elect to participate in the scheme by applying individually to the Australian Taxation Office (ATO) and providing information demonstrating their income has been significantly reduced.

Eligibility

Register at the above link if you think your church is able to show that its total income has been, or will be, reduced by more than 30% compared with the same month last year (or 15% if registered charity). Eligible churches will then have to report the number of staff on their books each month. Eligible staff members are basically all full and part-time permanent staff (ordained and lay), long term casuals (>12 months), and any staff stood down since 1 March 2020.

Payments

Eligible churches will receive \$1,500 per fortnight per eligible staff member. Payments will be made monthly in arrears by the ATO (commencing from 1 May, but calculated from 30 March). Each staff member will receive, as a minimum \$1,500 per fortnight, before tax. (If the person normally receives more than \$1,500 per fortnight they will continue to receive their normal pay and the church will retain the JobKeeper Payment. If the person normally receives less than \$1,500 per fortnight the church must pay them the full \$1,500 per fortnight, less tax.)



Further information is available on the [Fact sheet at the Government's website](#)

Good information can be found in [articles on the Seward Dawson website](#)

Government help for your Church

The Government has announced the Boosting Cash Flow for Employers measure.

From ATO information, our conversations with the ATO and information from leading financial bodies we understand that Not For Profits (with employees) registered for PAYG withholding tax **will receive \$20,000** in credits spread over their next three BAS returns. This will be irrespective of the amount of PAYG withheld and will be more if your PAYG is over \$10,000 per quarter. It will be credited to the quarterly BASs.

Information on the [ATO BAS Boosting Cash flow website](#) says:

To access the cash flow boost, you must lodge your activity statement. If you do not need to lodge an activity statement in respect of your PAYG withholding we are working through a solution and will update our website with more information on what you need to do.

If you have specific questions you are best to call the ATO on 1800 806 218. When we called this number on 25 March, there was no waiting time.

For those that lodge BAS via Xero, they say the process is the same. [See article on Xero website.](#)

ACNC information can be found at <https://www.acnc.gov.au/node/5781959>. There is a webinar on Monday 30 March, however it is fully booked. We will publish on our Facebook group after it has been released.

State Government Grants via the Business Support Fund

The State Government has released details of grants for business via the Business Support Fund. Grants are available to businesses significantly affected by Covid-19 shutdown restrictions.

Businesses are eligible to apply for a grant through the Fund if they meet the following criteria:

- Have been subject to closure or highly impacted by shutdown restrictions announced by the Victorian Government to-date; and

- Employ people; and
- Have a turnover of more than \$75,000; and
- Have payroll of less than \$650,000; and
- Hold an Australian Business Number (ABN) and held that ABN at 16 March 2020; and
- Have been engaged in carrying out the operation of the business in the Australian State of Victoria on 16 March 2020.



Here is a link to the [Business Victoria Business Support Fund webpage](#) where you will find a link to the application form. If you are eligible we suggest that **lodge your application** as soon as possible.

Government help for individuals

Some of the ways that the Government is helping individuals which may be of help to your Pastor if they are on benefits, or to those in your congregation:

- \$750 stimulus payments now and in July to welfare recipients
- Reduced pension deeming rates
- \$550 per fortnight Coronavirus supplement payment to certain welfare recipients, employees who are stood down and sole traders, self-employed and casual workers meet income tests
- Reduced waiting times for applications for Jobseeker, Youth Allowance and Parenting payments
- Access to up to \$20,000 of superannuation tax free to recipients of the coronavirus supplement or where income has reduced by 20% or more since 1 January 2020
- Minimum superannuation pension withdrawals reduced by 50% for the 2020 and 2021 financial years
- State Government assistance to help workers who have lost their jobs find new opportunities

Further information is available at the [Government website page - Support for Individuals.](#)

Regarding the Government Stimulus there is some really good information [in this article from Saward Dawson](#)

Church Action

At this time Pastors are going to be inundated with unfamiliar requests and unusual circumstances. Not the least of these will be the effect on church finances.

The Pastor should not bear the brunt of this either with regard to their personal finances or the wider church finances. They already will have an increased workload and be sharing the burdens of the wider community. This is a time when Pastoral Care is most needed.

In times like these it is vital that the church leadership step up and own the challenges of the church. They may not be able to field individual concerns but they can:

1. Regularly check that the Pastor/s is coping
2. Communicate to the church the need for stable finances
3. Invite responses from the church if regular giving will be a personal challenge



4. Suggest/investigate other ways to give. The Baptist Financial Services Giveaway site is established for this purpose. [Here's the fact sheet](#)
5. Also check with BFS <https://www.bfs.org.au/covid19/> or your lender
6. Ensure Church bank details are readily available
7. Encourage regular attendees to set up Direct Debit to the church account
8. Mention how and where people can give cash or cheques during the week
9. Review all other financial commitments and cost cutting:
 - Turn off appliances, that will not be used, such as air-conditioning and hot water services.
 - Walk through your buildings to see things to turn off
 - Consider delaying building or maintenance projects to reserve cash
 - Review repeating contracts and bills, such as telephone. Possibly some expenses could be reduced or stopped for a time
10. An email or letter from the church leadership acknowledging the additional pressure for the Pastor and covering some of these points will help share the load.

If you have questions, ideas or learn things that may help the other BUV churches please let me know.

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