

## St Paul's Foundation Fund

1. This is “ a trust set up specifically to provide for the aims of the Trust as laid out in the Trust Deed”. Since the congregation does not have access to the Trust Deed please explain what these activities are. It would be useful to describe the activities in the note to the accounts.
  - A. The Foundation Fund receives gifts and distributes them to other Deductible Gift Recipients (DGRs).The Foundation Fund only collects tax deductible gifts to pass on to other DGRs. Since the Foundation Fund is only allowed to give money to other DGRs, funds can only leave the Foundation Fund and go to either the Cultural Trust or the St Paul's College (Education Centre) Building Fund. It is then up to those entities to make relevant purchases.

Comment noted.
2. “Gifts made to the Trust are tax deductible” Why? The gifts are transferred to the St Paul's Cultural Fund and the St Paul's CEC Building Fund.
  - A. For a donation to be tax deductible, it must be made to an organisation endorsed as a deductible gift recipient (DGR). The Australian Taxation Office (ATO) endorses organisations as deductible gift recipients. Not all charities are DGR-endorsed, and there are specific requirements that charities must meet to be endorsed as a deductible gift recipient. The trust is an Australian Charities & Not-for-profits Commission (ACNC) registered charity, with ATO DGR endorsement. All St Paul's trust funds are DGR's, and can receive tax deductible donations.



### Deductible gift recipient status



The Trustee for St Paul's Foundation Fund is endorsed as a Deductible Gift Recipient (DGR) from 26 Nov 2007. It is a [public ancillary fund](#) covered by [Item 2](#) of the table in section 30-15 of the *Income Tax Assessment Act 1997*.

3. There is \$398,207 in the bank account – what is this being held for?
  - A. Distribution into either the Cultural Trust or CEC Trust as directed by the Trustees. Recent distributions have been CityAlight activities and CEC repairs.
4. The Foundation received \$18,094 from CityAlight income – why was this amount diverted from the main church account which shows CityAlight income of over \$1,000,000.
  - A. The funds were not diverted from the main church account. Contractual agreements with Integrity were established using the Foundation Fund, as decided by the Warden/Trustee's at the time. As CityAlight covers the cost of the St Paul's Music Director's two days a week dedicated to CityAlight work, the Integrity income was used to cover the employment expense. As CityAlight is continuing to generate more income, the potential for the Integrity income to exceed employment cost requirements, means that a revised contract between Integrity and St Pauls will be established (this is in progress).

### **St Paul's Cultural Trust Fund**

5. This is “ a trust set up specifically to provide for the aims of the Trust as laid out in the Trust Deed”. Since the congregation does not have access to the Trust Deed please explain what these activities are. It would be useful to describe the activities in the note to the accounts.
  - A. The trust provides money, property or benefits for qualifying cultural fund activities approved under the Register of Cultural Organisations, in particular the promotion and facilitation of music tuition, music appreciation and music performance.  
Comment noted.

6. "Gifts made to the Trust are tax deductible as long as the gifts are expended within the guidelines specified by the ATO." Why? What are the guidelines? Why do they not apply to the Foundation Fund? No gifts were received – the only income was transferred from the St Paul's Foundation Fund.
- A. It's a legal requirement.  
Guidelines link:  
<https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/getting-started/getting-endorsed-for-tax-concessions-or-as-a-dgr/is-my-organisation-eligible-for-dgr-endorsement/rules-and-tests-for-dgr-endorsement>  
The guidelines apply to the Foundation Fund.  
Gifts received into the Foundation Fund can be transferred to the Cultural Trust.
7. If the only funds received are transferred from the Foundation Fund and then used to "reimburse" St Paul's for "employment expenses" why doesn't the Foundation Fund simply transfer the funds directly to St Paul's?
- A. As established in the trust deed the Foundation Fund can only transfer funds to a Deductible Gift Recipient (DGR). St Pauls is not a DGR.
8. What are the employment expenses that need to be reimbursed? What activities were undertaken? Is this just a method of giving tax deductions to people giving to the church?
- A. St Pauls employment expense (Music Director - two working days).  
CityAlight work.  
Gifts to the trust are tax deductible. Gifts to the church are not tax deductible.

## **St Paul's College (Education Centre) Building Fund**

9. Thank you for describing the activities of the Trust in the note to the accounts.

Comment noted.

10. Expenditure on Property Expenses is a general description. I note that in the Prescribed Financial Statements of the church the property expenses are much more detailed.

Comment noted.

11. In St Paul's Foundation the transfer to CEC Fund is \$6,049. In the CEC Fund the income received from St Paul's Foundation is \$20,384. Where did the additional \$14,335 come from? Why did the auditors not pick up on this?

- A. The \$20,384 amount includes the \$6,049 amount, but also includes transfers of CEC Trust donations received in the St Paul's Churchwarden account and donations made directly into the CEC Trust (\$14,335). The amounts are correct. Splitting out the sources would have provided the correct funding streams.

## **St Paul's Church**

12. The St Paul's Masterplan Building bank account has only \$185,961 in it. Given the intended alterations to the church buildings will this be sufficient. If moneys are held elsewhere it would be good to have an explanatory note to the accounts detailing the amounts held at the beginning of the year, plus receipts less disbursements and amounts held at the end of the year with details of where the amounts are held. This would give some indication (*indication*)

- A. Funds are also held in the Masterplan Building Fund and the Wardens Holding Account

Comment noted.

13. In MEA and Intern balances owing what is the Intern Support – General \$5,545 for given that interns are no longer paid by the church.
- A. Funds are used for the intern program.
14. When will the monies held in trust for Mission 2020 - \$ 11,735 be applied? And to whom?
- A. These are funds received from other churches involved in Mission 2020. Most funds have been distributed back to the originating churches, the outstanding amount relates to churches that have not responded to requests asking them to instruct us on what they would like done with the funds. An option was for the amount to be directed to general funds on the understanding that the funds would be returned to any originating church in the future if requested. Post 2023 Note: In Feb 2024 Parish Council passed a motion for the funds to be directed to general funds.
15. There is no mention of the employment expenses recoveries from St Paul's Cultural Trust Fund \$36,333
- A. It is included in the Offertories and Donations line.
16. I note that we have saved \$313 by not having a PO Box any more.
- A. PO Box costs were incorrectly coded under Postage
17. Total parish donations are \$46,451. In the past we have had a target of 3% of offertories to be donated to Christian organizations. Offertories and donations were \$2,435,638 of which 3% = \$73,061 which is \$26,610 more than the donations paid. Have we abandoned the 3% target?.
- A. Prior to 2023 3% of offertory was directed to mission funding. In 2023 this ceased and was replaced with a fixed amount, which can vary and is set by the Wardens (approved by Parish Council) as part of the budget process.
18. Why is annual leave expense shown as a negative number which means it is a revenue item.

- A. As staff take annual leave it decreases the provision, which shows up as a negative. On the balance sheet, Liabilities - Employee Liabilities - Annual Leave, the liability decreased from \$189,028 (2022) to \$176,161 (2023), the decrease shows up on the PnL as negative \$12,866.

19. Total (*Total*) ministry stipends reduced by 30.4%, yet superannuation increased by 9.1%. any reason?

- A. Total Ministry Stipends decreased by 30.4% from \$503,972 (2022) to \$350,784 (2023) due primarily less ordained staff (Senior Minister & Discipleship Minister) and the Production Minister becoming a Production Manager role which does not receive a stipend.  
Superannuation increased by 54.52% from \$62,833 (2022) to \$97,090 (2023) due to superannuation guarantee increases for all employees and additional non-ministry employees (Salaries - Administration)

#### Other matters

1. Could we please have a meeting agenda made available to all attendees. It may also be useful if the agenda were made available at the time notice of the meeting is given together with a summary of the duties and responsibilities of churchwardens, parish councillors, nominators and synod reps (where applicable) so that people can have time to consider whether they would be willing to serve in each capacity in advance of attending the meeting.

- A. This information is available on the website: [stpauls.church/agm](http://stpauls.church/agm)  
Comment noted.

2. It would be good to have more congregational involvement in the service perhaps by saying the Lord's Prayer and Prayer for Persecuted Church and the Apostle's Creed together.

Comment noted.