

Cost Recoveries Framework Ordinance 2008

No 29, 2008

Long Title

An Ordinance to authorise the recovery of ministry and property costs incurred on behalf of members of the clergy and parishes and to provide for the calculation of the net operating receipts of a parish.

The Synod of the Diocese of Sydney Ordains as follows.

Part 1 – Preliminary

1. Name

This Ordinance is the Cost Recoveries Framework Ordinance 2008.

2. Interpretation

(1) In this Ordinance –

financial statements, in relation to a parish, means the audited financial statements forwarded under rules 3.9(5) and 3.10(3) of Schedule 1 or rules 3.8(5) and 3.9(3) of Schedule 2 of the Parish Administration Ordinance 2008.

financial year means a period of 12 calendar months commencing on 1 January,

Synod means the Synod of the Diocese.

(2) In Part 2 –

(a) “ministry costs” means all costs, expenses, charges or contributions which, in the opinion of the Standing Committee, have been incurred or will be incurred on behalf of any member of the clergy licensed to a parish and, without limiting the generality of the foregoing, includes –

(i) superannuation contributions for members of the clergy licensed to parishes,

(ii) contributions for long service leave for members of the clergy licensed to parishes,

(iii) costs and expenses of, or incidental to, the maintenance of stipend continuance insurance for members of the clergy licensed to parishes,

(iv) contributions to the fund established by the Sydney Diocesan Sickness and Accident Fund Ordinance 1969, and

(b) “property costs” means all costs, expenses, charges or contributions which, in the opinion of the Standing Committee, have been incurred or will be incurred in relation to parishes and without limiting the generality of the foregoing, includes the costs of the parish insurance program administered by the Property Trust for parishes and any officers or employees of parishes.

(3) For the purposes of Part 3 –

(a) the receipts of a parish are taken to include the receipts of each church of the parish and any organisation of the church or parish, and

(b) the exclusions and deductions for a parish are taken to include the exclusions and deductions of each church of the parish and any organisation of the church or parish.

3. Notes

(1) Notes in this Ordinance are for explanatory purposes only and do not form part of the Ordinance.

(2) The Diocesan Secretary is authorised to update the notes when reprinting this Ordinance under clause 8 of the Interpretation Ordinance 1985.

Part 2 – Cost recoveries charge

4. Parishes to pay cost recoveries charge

For each financial year, each parish is to pay a cost recoveries charge in respect of ministry costs and property costs specified or determined in accordance with an ordinance referred to in clause 5.

5. Determination of charge

(1) The Standing Committee must prepare for the second ordinary session of the 48th Synod and the second ordinary session of each Synod thereafter a proposed ordinance for adoption by the Synod which –

(a) specifies the cost recoveries charge in respect of ministry costs and property costs to be paid by each parish in each of the following 3 financial years, or the method or methods by which such charge may be determined by the Standing Committee, and

(b) authorises the Standing Committee to apply the cost recoveries charges paid by parishes in a financial year toward ministry costs and property costs.

(2) The Standing Committee must arrange for the distribution of a copy of the proposed ordinance to all members of the Synod not less than 14 days before the first day of the session.

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(3) If, in relation to a financial year, the Standing Committee expects that the total of the cost recoveries charges to be received from parishes will be insufficient to meet the total of the ministry costs and property costs for that year, it may bring to the Synod an ordinance containing a proposal to meet that insufficiency.

6. Payment of charges

All cost recovery charges imposed by or pursuant to an ordinance of Synod, unless the ordinance otherwise directs, are payable by 10 equal monthly instalments, the first due and payable on 1 March and subsequent instalments due and payable on the first day of each succeeding month.

7. Visit from Archdeacon if charge not paid

If a parish fails for any reason to pay any instalment of a charge for a period of 3 months after the due date the Archdeacon of the area in which the parish is situated is to confer with the minister and wardens with a view to finding a solution to the situation in which charges have not been paid and is to report the result of such consultation to the Standing Committee.

8. Relief from charges

- (1) In any case where –
- (a) 2 or more parishes are amalgamated,
 - (b) a parish is dissolved, or
 - (c) the area of a parish is changed,

the Standing Committee may provide such relief from charges made as it considers equitable in the circumstances.

(2) The Standing Committee has the power to enter into an arrangement with a parish for the payment of accumulated arrears of charges over a period of time.

(3) The Standing Committee is authorised to remit the whole or any part of the arrears of charges owing by any parish if it declares by resolution the circumstances which in its opinion make it expedient so to do.

(4) The Standing Committee is to report to the Synod on all relief provided and all remissions made under this clause.

9. Control of Expenditure

The Standing Committee has control of all expenditure on account of the Synod in all cases where such control has not been exercised by the Synod itself and is responsible for collecting all moneys charged and for distributing and applying such moneys.

10. Calculation of charges by reference to net operating receipts

If a charge is calculated under any ordinance by reference to the net operating receipts of a parish, the net operating receipts are those determined under Part 3.

Part 3 – Net operating receipts

11. Net operating receipts

The net operating receipts of a parish in a financial year (“N”) is the amount calculated in accordance with the following formula –

$$N = G - E - D$$

where –

G is the total amount of gross operating receipts of the parish in the financial year as defined in clause 12,

E is the total amount of exclusions for the parish in the financial year as defined in clause 13, and

D is the total amount of deductions for the parish in the financial year as defined in clause 14.

12. Gross operating receipts

The gross operating receipts of a parish is the total amount of all receipts of the parish less any of the following receipts included in that amount –

- (a) proceeds from the redemption of investments,
Note: Presently this is shown under item number 5-1000 in the Prescribed Financial Statements.
- (b) proceeds from the sale of assets,
Note: Presently this is shown under item number 5-2000 in the Prescribed Financial Statements.
- (c) new or additional borrowings,
Note: Presently this is shown as item number 5-3000 in the Prescribed Financial Statements.
- (d) money received as an endowment to be held for the benefit of the parish or a church of the parish,
Note: This would include testamentary dispositions and presently this is shown as item number 5-4000 in the Prescribed Financial Statements. (Any income generated from such an endowment should be shown as item number 4-5200 and be included in gross operating receipts.)

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- (e) receipts to contra non-parish payments,
Note: *Presently this is shown under item number 5-5000 in the Prescribed Financial Statements.*
- (f) insurance claims received, and
Note: *Presently this is shown under item number 5-6000 in the Prescribed Financial Statements.*
- (g) receipts from other churches, funds and organisations within the parish.
Note: *Presently this is shown under item number 5-8000 in the Prescribed Financial Statements.*

Note: *Presently the figure for gross operating receipts is the amount shown as the 'sub-total operating receipts' at the foot of page 1 of the Prescribed Financial Statements.*

13. Exclusions

The exclusions for a parish are –

- (a) money received as a donation designated for any organisation, body or society outside the control of the parish,
Note: *Presently shown as item number 4-2100 in the Prescribed Financial Statements. This would include money received for Christian missionary organisations, community or welfare groups, charities and aid organisations.*
- (b) money received for or on behalf of a trust where the trust arrangements are such that the funds cannot be applied for purposes in connection with the parish,
Note: *Presently shown as item number 4-2100 in the Prescribed Financial Statements. This would include money given to an external trust.*
- (c) money received as a grant from an organisation listed in a Schedule to the Accounts, Audits and Annual Reports Ordinance 1995, a trust under the control of the Archbishop, a Minister of the Crown or an instrumentality of the Commonwealth of Australia or the State of New South Wales, a local government council, or any other person or body or class of persons or bodies approved by resolution of the Standing Committee,
Note: *Presently shown under item numbers 4-4000 in the Prescribed Financial Statements. This would include grants from most diocesan organisations and Federal, State or local government departments.*
- (d) any gift received which is specifically designated for the purpose of –
 - (i) the purchase of land,
 - (ii) the purchase, construction or renovation of buildings, fixtures or fittings situated on church trust property held for the purposes of the parish, or
 - (iii) the reduction of debt undertaken for purposes (i) or (ii).**Note:** *This is not intended for day to day maintenance expenditure. Presently shown as item number 4-1300 in the Prescribed Financial Statements.*

14. Deductions

The deductions for a parish are gifts made to any Christian organisation outside the control of the parish from funds held for the general purposes of the parish.

Note: *Presently shown as item numbers 6-2310 and 6-2330 in the Prescribed Financial Statements. This would include amounts paid to missionary societies, local area scripture boards, other diocesan organisations, and other parishes.*

15. Estimates and disputes

(1) If the wardens fail to forward all the audited financial statements in the form prescribed by the Standing Committee to the Diocesan Secretary on or before 15 April, the Standing Committee may estimate the net operating receipts of that parish for the preceding financial year and such estimate is taken to be the actual net operating receipts of that parish for that financial year.

(2) If the Standing Committee considers that any of the financial statements are incomplete or inaccurate, it is to request the minister and wardens concerned to complete or correct the financial statements and, if they fail so to do within one month of such request, the Standing Committee may make such adjustment to the net operating receipts disclosed in the financial statements as it thinks fit and the net operating receipts as adjusted are taken to be the net operating receipts of the parish concerned for the financial year to which they relate.

(3) If the Standing Committee makes an adjustment to the net operating receipts under subclause (2) it is to give notice of such adjustment to the minister and wardens concerned. Unless the minister and wardens, within 2 months of the Standing Committee giving such notice notify the Diocesan Secretary that they consider the change made by the Standing Committee is inconsistent with this Ordinance and give their reasons for that view, the net operating receipts of the parish for that financial year are the amount after such adjustment has been made. If the minister and wardens so notify the Diocesan Secretary, a dispute is taken to exist unless such dispute is resolved by agreement between the Standing Committee and the minister and wardens within 1 month of the date on which such notification is given.

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Part 4 – Miscellaneous

16. Settlement of disputes

If a dispute arises as to the meaning or application of this Ordinance the dispute is to be determined by the Chancellor or by some person appointed by him and the decision of the Chancellor or that person is final and binding on the parties involved.

17. Delegation

The Standing Committee may delegate all or any of its powers under this Ordinance to a committee appointed by the Standing Committee.

18. Amendment of the Parish Administration Ordinance 2008

The Parish Administration Ordinance 2008 is amended by –

- (a) adding to the end of rule 3.10(2)(a) in Schedule 1 and rule 3.9(2)(a) in Schedule 2 the following –
“in the form last prescribed by the Standing Committee, and”, and
- (b) adding to the end of rule 3.10(3) in Schedule 1 and rule 3.9(3) in Schedule 2 the following –
“and, at or within 7 days after the annual general meeting of parishioners, are to forward copies of these financial statements to the Diocesan Secretary”.

19. Repeal

The Assessment and Charges Ordinance 1975 is repealed provided that such repeal does not affect any act done under or obligation imposed by that ordinance.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

R TONG
Deputy Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 21 October 2008.

CJ MORONEY
R J WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney
22/10/2008