



THE UNITING
PRESBYTERIAN
CHURCH
IN SOUTHERN
AFRICA

02nd November 2022

To: All Presbytery Moderators, Clerks and Treasurers
All Congregational Ministers, Session Clerks, Stewardship Committee Chairpersons
and Treasurers

CC: UPCSA General Assembly Finance Committee
All Central Office Staff

FINANCE UPDATE ON DECISIONS TAKEN AT THE 2022 EXECUTIVE COMMISSION

Dear All

This letter was originally sent to all Presbyteries on the 25th of September 2022, with a few small corrections below. Kindly take note of the contents and all the deadlines, dates, etc. below. All items with the Aug 31st deadline must be attended to by latest 31st Dec 2022, please.

Please ensure ALL congregations receive a copy of this letter so the Session and Stewardship Committee can action the necessary accordingly. Several decisions were taken at this year's Executive Commission which affect ALL congregations and in turns Presbyteries and the General Assembly.

It is important we communicate these changes and decisions so that congregations understand exactly how they are impacted by them.

Decision 1: ***The Executive Commission reminds Presbyteries of the instruction to submit up-to-date reports on non-contributory congregations with reasons for non-compliance, by 31st August 2022.***

Very little work has been received as of the end of September regarding this. It is imperative that compliance is enforced, and that Presbyteries submit these reports ASAP. Without these reports we are unable to determine or even remotely guess the financial well-being of our denomination, let alone our Presbyteries or individual congregations, and in turn this pushes our risk of the unknown much higher which places our denomination at risk.

Please ensure these reports are urgently sent to the General Assembly Finance Committee.

Decision 2: ***The Executive Commission again instructs all Presbyteries and***

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PBO 18/11/13/1612
Moderator: Rt Rev SJ Mtetwa DipTh, BTh, MTH
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Clerk of Assembly: The Rev WV Mkhungo DipTh
General Treasurer: Mr R Johnson MCom, CIA, MIRMSA

Churches who have not submitted certified copies of their title deeds to the Central Office yet, to do so by latest 31st August 2022, in terms of the Manual of Faith and Order 9.2.

Please ensure this request is also dealt with as soon as possible. Presbyteries should also have a list and or copies of title deeds for their congregations and would thus know which ones are still outstanding. Please contact the CFO if you are unsure of what is outstanding.

Decision 3: ***The Executive Commission: a. Instructs the Finance Committee to collect the outstanding arrear pension contributions from the defaulting ministers and congregations by Feb 2023; and b. Instructs the concerned Presbyteries to cooperate with the Finance Committee in ensuring that such amounts are recovered. C. Defaulting ministers to note that amounts not received by 28 February 2023 will be taxable income and IRP5's will be issued to them accordingly. Those ministers will then be responsible to resolve their tax obligations with SARS respectively.***

These contributions were not paid by Ministers and / or congregations and the General Assembly / Central Office paid the contributions over, trying to recover these from congregations and / or Ministers. Through engagements with SARS, **we have been given an ultimatum that any amounts NOT recovered by 28 February 2023, are taxable in the Minister's personal capacity.**

This means up to 45% tax will be collected from each Minister, depending on what tax bracket they fall into, on these amounts. This too doesn't exonerate the congregation / minister from paying the amounts due to the central office, so to illustrate an example:

Minister A / Congregation A owes central office R 30,000

Tax @ 45% = R 13,500 **which the minister themselves must pay SARS** (as it deemed to be like a bonus or 13th cheque which was not taxable, and which SARS now wants the tax on). We will issue an IRP5 against each Minister using their ID number, and when the Minister completes their tax return the tax due will appear, and the Minister concerned must then make a payment arrangement with SARS.

The congregation / minister still owes the amount to the central office.

So, this now costs the congregation R 30,000 original debt, PLUS the R 13,500 tax = which is R 43,500 as opposed to R 30,000.

If the arrear amounts are paid to the central office before 28 February 2023, NO TAX is due by the Minister concerned.

Some positive decisions taken, which affect all congregations favorably, who are compliant with the laws of our country and with the rules within our denomination are as follows:

Decision 4: ***The Executive Commission adopts the name change of Assessments to Ministry Contributions.***

As assessments are predominantly used to fund missional or ministry work of the denomination, it was decided in the Executive Commission to change the name "Assessments" to "Ministry Contributions" going forward. Please ensure you refer to the new name in all correspondence.

Decision 5: ***Congregations who are PBO registered by 31st December 2022 and submit copies of their financial statements to their Presbytery and the General Assembly Finance Committee are granted a once-off relief of 50% of their assessments for the financial years ending June 2021 and June 2022.***

This means that IF a congregation has registered as a PBO (not a NPO, a PBO) by 31 December 2022, or is already registered, and supplies proof to this effect AND who have submitted copies of their annual financial statements to their Presbytery and the General Assembly Finance Committee, will receive 50% off their Ministry Contributions (assessments) for both financial years ending June 2021 and June 2022.

Example: Based on the rules of Ministry Contributions, a congregation's ministry contribution to the General Assembly for 2021 and 2022 are R 25,000 and R 40,000 for each year, if the congregation meets the requirements above, they will only pay R 12,500 and R 20,000 respectively, EXACTLY 50% off for each year.

For those congregations who have December year ends, this will be for December 2021 and December 2022 year-ends.

This is an excellent incentive for congregations to become registered as PBO's before 31 December to receive the 50% relief.

For congregations who do not register by 31 December 2022 as PBO's, the relief then falls away, and the full ministry contribution amount will become due and payable, and no relief will ever be granted again for PBO registrations.

Decision 6: ***From the NEW financial year (July 2022 to June 2023), for congregations with year-ends, after 01 July 2022, the rate of Ministry contributions (assessment) be reduced from 18% to 15% for General Assembly Ministry Contributions (assessments).***

So, from 01 July 2022, the rate of Ministry Contributions (assessments) to the General Assembly has been reduced from 18% down to 15%, for congregations. We are hoping that more and more congregations will start paying their ministry contributions to the General Assembly.

The more congregations that pay, the better our chance of posing a further

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rate reduction next year, to the General Assembly of an even further lower percentage, which benefits everyone in the denomination. If congregations do their part, the intention is to bring two further Ministry Contribution rate decreases to the Assembly over the next two years, i.e., 12% and then 10%, but only if more and more congregations start paying.

As more and more congregations pay assessments, so our budget will begin to open again, and we can start to pay expenses, and do other missional work, that had been put on hold over the past 3 years, due to our dire financial situation. We all need to play our part in this regard to keep our denomination afloat, and alive.

Decision 6: ***All assessments owing to the central office as of June 2018, be written off, provided that all assessments for the years ending June 2019 and June 2020 are paid in full to the central office by 31 December 2022 and that the congregation is registered as a PBO and supplies proof to this effect).***

So, assessments paid up to date for the 2019 and 2020 financial year by 31 December 2022, will allow congregations to write off previous years' assessments.

Rev Thembinkosi Nopapaza (admin@unitingpresbyterian.org) who works in our central office can assist you with any pension related queries, specifically amounts outstanding on the arrear pension contributions. He can also assist you with Ministry Contribution queries, and anything related to financial statements which congregations need to submit to the General Assembly or Central Office.

The Chief Financial Officer (Rev Malungelo Jita - finance@unitingpresbyterian.org) is available at any time should you wish to engage on any of these decisions taken, alternatively you can also liaise with me (generaltreasurer@unitingpresbyterian.org), if you cannot reach the CFO, but the first point of call should be our Chief Financial Officer.

Let us all work together and go back to the basic principles of getting our house in order, which includes submitting returns on time, paying what is due, when it is due and abiding to rules and regulations of our country and decisions taken at our Executive Commissions and General Assemblies.

Yours in Christ



Mr Ryan Johnson
General Treasurer