



Photos: Potahi Marae, Student Volunteer Army, Ra o Te Raukura Volunteers

Charities Services Changes for Charities

CHARITIES
SERVICES
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Te Tari Taiwhenua
Internal Affairs

Kia ora and welcome!

Overview

- Annual Reporting changes
- Form changes
- Charities Act changes



Photo: Age Concern Nelson Tasman

Before we begin the webinar ...

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Can you hear us?

Make sure your computer's sound is un-muted.

Sound cutting out? Check your internet connection.

Recording and Resources

This webinar is being recorded - you will receive a link to the recording and resources.

Q&A

Type your questions in the Q&A chat box.

Connectivity issues

If we experience tech issues and are unable to present, we will contact you.

Let's start...

Annual Reporting

Annual reporting

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Annual Return Form



Asks for information
about:

- Your people
- Your operations



Performance Report



Contains summary
information about:

- Your charity
- Your activities

Not for Profit Reporting Standards

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Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

- The External Reporting Board sets the reporting standards
- The standards outlines the way you must report
- There are different tiers for different size charities

Why is annual reporting important?

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- Transparency around the use of funds
- Lets the public and funders know what you are doing
- Improves the information on the Charities Register

Reporting tiers

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TIER 1

Full Standards

Over \$30 million
annual expenses

or has
public accountability

TIER 2

**Reduced Disclosure
Regime**

Under \$30 million
annual expenses

without
public accountability

TIER 3

**Simple Format Report
ACCRUAL**

Under \$2 million
annual expenses

without
public accountability

TIER 4

**Simple Format Report
CASH**

Under \$140,000
annual operating
payments

without
public accountability

Recap – Annual Reporting

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When?

- Once a year
- Within 6 months of your balance date

What?

- Annual Return and Performance Report

Help?

- Resources on our website
- Book into an online clinic or email us

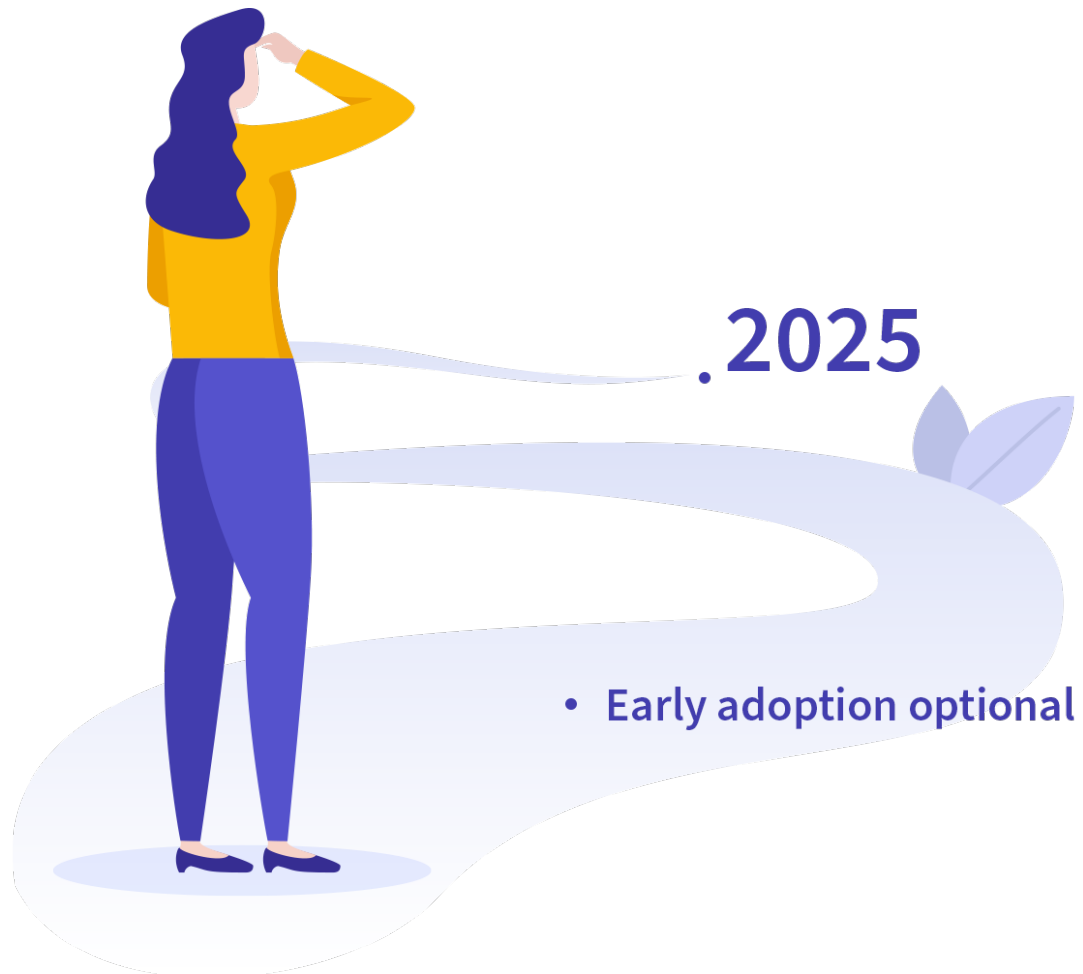
Moving on to...

Reporting changes

Reporting changes

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2025

- Early adoption optional

- New Reporting Standards
- Early adoption optional
- Easier and simpler to apply

Tier 4 changes

How to notes:

- Green boxes are mandatory if applicable to your organisation
- Yellow boxes are only required if the information is easily available.
- Further **Guidance Notes** are provided on the right of each mandatory requirement

Annual Performance Report

Organisation name

For the year ended

Entity information

Legal name of entity

Type of entity

Statement of Service Performance

Description of main activities undertaken during the past year	Quantity	
	Current year	Last year
<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>

Tier 4 changes

Statement of cash received and cash paid

	Current year \$	Last year \$
Opening balance in bank account(s) and cash on hand		
Plus cash received from operating activities		
Donations, koha, bequests and other fundraising		
General grants received		
Service delivery grants/contracts		
Membership fees and subscriptions		
Sale of goods or services (commercial activities)		
Interest or dividends received		
<u>Other cash received</u>		
Total cash received from operating activities		
Less cash paid for operating activities		
Fundraising costs		
Employee remuneration and other employee related costs		
Volunteer related costs		
Costs related to sale of goods or services (commercial activities)		
Other costs related to delivery of entity objectives		
Grants and donations paid		
Other cash paid		
Total cash paid for operating activities		
GST paid or refunded in the year		
Cash surplus or (deficit) from operating activities		
Plus: Cash received from other activities		

Combined Tier 4 Annual Return Form

It includes...

- Statement of Service Performance,
- Information about cash received and paid
- Whether or not you are registered for GST
- Descriptions of any related party transactions.

Statement of Service Performance

- Non-financial information
- Outputs and outcomes terminology removed
- Focuses on significant activities and achievements

Tier 3 changes

- **Statement of Service Performance**
 - Non-financial information
 - Outputs and outcomes terminology removed
 - Focuses on significant activities and achievements

Tier 3 changes

- Clearer categories for classifying revenue and expenses

Tier 3 (NFP) revenue categories

Categories

Donations, koha, bequests, and other general fundraising activities

General grants

Capital grants

Government service delivery grants/contracts

Non-government service delivery grants/contracts

Membership fees and subscriptions

Revenue from commercial activities

Interest, dividends, and other investment revenue

Other revenue

Tier 3 (NFP) expenses categories

Categories

Expenses related to fundraising

Employee remuneration and other related expenses

Volunteer related expenses

Expenses related to commercial activities

Other expenses related to service delivery

Grants and donations made

Other expenses

New threshold for Tier 2 and Tier 3

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TIER 2

**Reduced Disclosure
Regime**

**Under \$33 million
annual expenses**

**without
public accountability**

TIER 3

**Simple Format Report
ACCRUAL**

**Under \$5 million
annual expenses**

**without
public accountability**

TIER 4

**Simple Format Report
CASH**

**Under \$140,000
annual operating
payments**

**without
public accountability**

Moving on to...

Annual Return

Form changes

Annual Return form changes

- Combined Annual Return and Performance Report option for Tier 4 charities
- Changes to financial categories to align with reporting changes
- Self-identification questions (Kaupapa Māori, Pasifika, Ethnic communities)

Annual Return form changes

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Charity Identity

Do you consider your charity to be a Kaupapa Māori charity?*

Yes No

If **yes**, which of the following factors significantly influence your decision to consider your charity a Māori charity? Select all that apply:

- Marae
- Affiliation with iwi and/or hapū
- Focuses on outcomes for Māori
- Ownership

Do you consider your charity to be a Pasifika charity?*

That is, your charity is established to support Pacific peoples, in New Zealand and/or in the Pacific.

Yes No

Do you consider your charity is established to support ethnic communities in New Zealand and/or overseas?*

Yes No

Accumulated funds



- Does not apply to Tier 4
- Affects Tiers 1 – 3
- No threshold – use your discretion

Accumulated funds

Accumulated Funds

Capital contributed by owners or members*

\$.00

Accumulated surplus or deficits*

\$.00

Reserves*

\$.00

Total accumulated funds*

\$.00

Please note that the charity's total accumulated funds must equal the total assets less liabilities.

► How do you plan to use your charity's accumulated funds in the future?

Things to consider:

- *How accumulating funds will help to achieve your charity's goals of advancing your charitable purpose.*
- *Specific reasons for accumulating funds (i.e., planning for future generations and the sustainability of your charity or upcoming significant projects or planned capital expenditure (e.g., buildings)).*

When to use the new Annual Return Forms

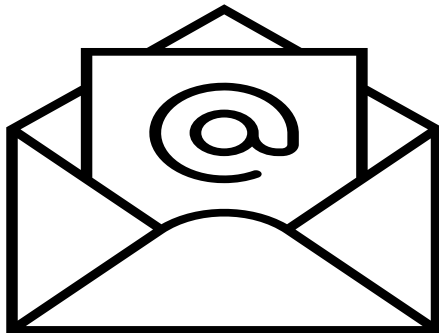
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- Makes it easier for small charities to report
- Option to use earlier
- Not mandatory until 2025

Moving on to...
**Charities Act
changes**

Charities Act changes



- Discussing some of the main changes
- You will receive a handout by email

Review your governance

- Review every **3 years**

Think about...

- It is **fit for purpose**
- Does it **assist the charity to achieve its charitable purpose**
- Does it **assist the charity to comply with the Charities Act 2005**

What happens when governance goes wrong?



Investigations in 2022/2023

- 231 concerns addressed
- 38 open inquiries
- 7 referrals to other agencies
- 18 completed inquiries
- 0 deregistered for serious wrongdoing

Officer definition is wider

- Your officers are anyone **who occupies a position in the charity,** and
- Who can **exercise significant influence over substantial decisions** of the charity
- May now include **your manager, chief executive or chief financial officer**

Changes for charities

- Model rules on the website
- Application response time extended
- Appeals and objections
- Can now appear before the Board

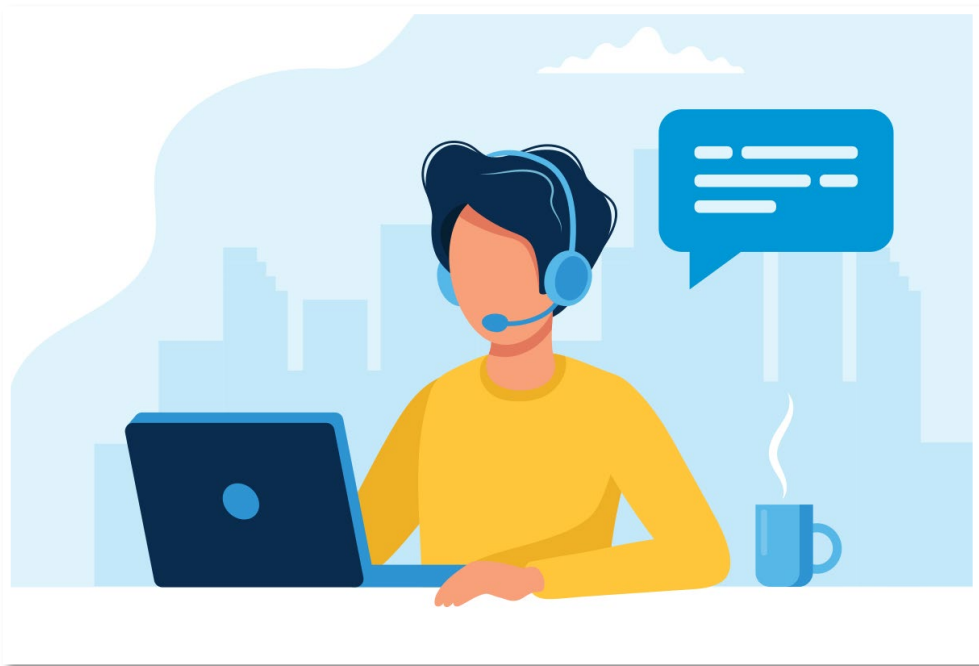
Changes for Charities Services

- Consultation on our publications
- Disqualification of officers
- Te Rātā Atawhai Charities Registration Board increases
- Board decisions will be published on the website

We're here to help

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- Check out the Charities Act change hub on our website
- One-on-one online clinics available every Thursday
- Book clinics on our website
- Email us at info@charities.govt.nz



Te Tari Taiwhenua
Internal Affairs

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Questions?



Te Tari Taiwhenua
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Thank you