

Congregation Treasurer's Frequently Asked Questions about GST

- 1. I have a Manse, and I rent it out (either to a minister or an individual) at market value**
 - Income is coded Input Taxed.
 - Expenses cannot claim GST credits, so they are coded GST Free in our system.
- 2. I have a Manse, and I rent it out (either to a minister or an individual) at less than 75% of the market value**
 - Income is coded GST Free.
 - Expenses can claim GST credits (where GST is on the invoice), so they are coded GST on Expenses.
- 3. I have a Commercial Property that I lease at market rate to a client for a commercial activity**
 - Income is coded GST on Income (unless the tenant is part of the GST Religious Group – then it would be BAS Excluded).
 - Expenses relating to this property can claim GST credits, so they are coded GST on Expenses.
- 4. I have a Commercial Property that I lease at less than 50% of market value**
 - Income is coded GST Free (unless this client is part of the GST Religious Group – then it would be BAS Excluded).
 - Expenses can claim GST credits, so they are coded GST on Expenses.
- 5. The outgoings that I charge for the Commercial Property like electricity, rates and water**
 - These are charged to the client with GST added because the main supply (commercial lease) is taxable.
 - Example:
 - Water bill \$1,000 (no GST on supplier invoice) → on-charge \$1,100 (includes \$100 GST).
 - Electricity bill \$1,100 (includes GST) → on-charge \$1,100 (includes \$100 GST).
- 6. I hire out my hall at market value**
 - Income is coded GST on Income (unless it is to a person within the GST Religious Group – then it is BAS Excluded).
 - Expenses relating to the hall are coded GST on Expenses.

7. I hire out my hall at less than 50% of GST-inclusive market value or less than 75% of cost

- Income is coded GST Free (unless it is to a person within the GST Religious Group – then it is BAS Excluded).
- Expenses relating to the hall are coded GST on Expenses.

8. When dealing with the expenses for the church and hall

- Electricity: GST on Expenses.
- Water: GST Free (usually no GST on supplier invoice).
- Rates and Land Tax: BAS Excluded.

9. I run a religious activity (e.g., a retreat) and charge for the experience

- The activity is GST Free only if it qualifies as a GST-free religious service (i.e., the congregation is ACNC-registered, and the activity is integral to the practice of the religion, such as worship or spiritual instruction).
- If the retreat includes accommodation and meals, these are not GST-free under the religious services rule, and the code is GST on Income¹.
- If the activity is primarily recreational or social, it is taxable, and the code is GST on Income².
- Expenses relating to this will be GST on Expenses (if GST is on the invoice).

10. If congregation members pay for a ticket to a congregation talk

- The income is GST Free only if the talk qualifies as a GST-free religious service (i.e., the congregation is ACNC-registered and the talk is integral to the practice of the religion, such as a sermon or bible study).
- If the event is not integral to religious practice (e.g., a concert, social event, or general interest talk), it is taxable, and the code is GST on Income³.
- Expenses relating to this will be GST on Expenses (if GST is on the invoice).

11. Expenses associated with an event

- Expenses are coded GST on Expenses if GST is on the supplier's invoice.
- Whether GST applies depends on the supplier's invoice.

¹ Also note the 'nominal consideration' rule outlined in Decision Tree 4 of the Supplementary GST Manual, which may apply in the relevant circumstances.

² Also note the 'nominal consideration' rule outlined in Decision Tree 4 of the Supplementary GST Manual, which may apply in the relevant circumstances.

³ Also note the 'fundraising events' rule outlined in Decision Tree 3 of the Supplementary GST Manual, which may apply in the relevant circumstances. However, if the 'fundraising events' rule is applied, then GST credits cannot be claimed for expenses relating to the talk.

12. If I run a stall and sell anything at less than 50% of market value

- Income is coded GST Free.
- Expenses for purchasing items are coded GST on Expenses (if GST is on the invoice).

13. If I run a stall and sell items at market value

- Income is coded GST on Income⁴.
- Expenses for purchasing items are coded GST on Expenses (if GST is on the invoice).

14. Where funds are collected by the congregation on behalf of someone else (e.g., Flood Appeal)

- Income is coded BAS Excluded because the congregation is acting as an agent, and the funds do not belong to the congregation.

15. Where you are collecting funds from Containers for Change for the benefit of the congregation

- If it is a genuine donation, code as BAS Excluded.
- If there are conditions or benefits, GST may apply – check with Synod.

16. Any funds coming from or to Synod

- All transactions within the GST Religious Group are coded BAS Excluded (even if the invoice says GST 0).

17. There are two types of Sub-entities

- **Committees or groups run by the congregation:**
 - Income: GST Free (if GST-free religious service) or GST on Income (if taxable).
 - Expenses: GST on Expenses (if GST on invoice).
- **Separate organizations with their own ABN:**
 - All ins and outs are coded BAS Excluded and recorded in a liability account (not income/expense).

18. General offerings and donations (where they are gifts under GST law)

- Income is coded BAS Excluded.

⁴ Also note the 'fundraising events' rule outlined in Decision Tree 3 of the Supplementary GST Manual, which may apply in the relevant circumstances. However, if the 'fundraising events' rule is applied, then GST credits cannot be claimed for expenses relating to the stall / event.

19. All staff wages and stipends

- Expenses are coded BAS Excluded.

20. Any financial income such as bank interest

- Income is coded Input Taxed.
- However, if the income is from a GST religious group member (such as UCIS interest), it will be BAS Excluded.