

GUIDELINES FOR ITINERANT MINISTRIES

Across the world and here in Australia in the past five years there has been wider examination by the governance and tax authorities of Religious Organisations that we more commonly call itinerant ministries and those set up by Senior Ministers to accommodate honorarium and love gifts.

Each Country has its own legislation and individuals reading this paper should obtain independent professional advice for legal status relevance and compliance.

The paper takes the following format

- i. Definitions
- ii. Organisational Governance
- iii. Operational Separation
- iv. Overseas Considerations

i. Definitions

Board	includes similar designations such as Council, Committee
Charity	A n organisation that has recognised Charity status, within the country the live in
NGO.	Non Government Organisation
Pastor	Includes Pastor, Itinerant evangelist, Preacher, Minister, Bishop, Elder or religious leader whose primary purpose to extend the Kingdom of God through travelling to local Churches, hold crusades, and has a separate legal institution the operate through.

ii. Organisational Governance

It is essential that when a separate ministry function is clearly identified, that it is structured legally as a separate entity. Many countries have a Not for profit Company legislation a Society or Associations legislation or governing Charities bodies for Charities and NGO's that are infused into Government legislation.

It is recommended that

- a. Is separately incorporated as a legal entity and registered away from the Pastors Church or personal name
- b. Has a clear vision or mission statement relevant to the organisation
- c. Has a governing Board of a minimum of 5, whose composition is not all from the Leadership of one local Church. Best practice is that they should have differing skill sets to provide wisdom across a range of skill sets.
- d. The Chairperson is not the key employee of the organisation
- e. Employment documentation must be in place showing a bona fide employment relationship between the legal organisation and the employees
- f. Regular meetings of the Board

Graeme R Kirkwood (Associate Chartered Accountant)

Mailing Address: PO Box 7409 Baulkham Hills Mail Centre NSW 2153 Australia

Mobile: 0412 476 016 **Phone / Fax 61** (02) 96341255 **e-mail:** graeme@globalchurchsolutions.com

Global Church Solutions, is a division of I for Style 2001 Pty Ltd,

A.C.N. 096 897 522 - **A.B.N.** 48 096 897 522

iii. Operational Separation

Many itinerant Ministers carry the expectation that the organisation they function through is their "personal ministry". While from a passion and energy perspective that is correct, the reality is at law, it is a separate legal and community entity.

It is important that the itinerant Minister recognises that the organisation is a community based one that gets various tax privileges in many countries, and ensures that personal assets are not accumulated in the Ministry.

In addition some countries allow Ministers to be able to have an agreement that the speaking honorariums are paid to their employing Church and added to the salary. While this is permissible at law, care needs to be taken to ensure that other relevant legislation such as workers insurance cover, superannuation (pension), and government family payments reported correctly and are requirements are not breached

iv. Overseas Considerations.

Each country has separate tax laws that govern organisations and individuals when travelling overseas. In general, most countries recognise that an itinerant Minister is employed in the practice of religion, therefore any revenue received from preaching or itinerating will need to be captured somewhere in the global system. Double Tax agreements attempt to minimise this. "Love gifts" or honorariums given personally to an itinerant Minister are not considered a personal tax free gift in most countries. The writer has been involved in tax reviews with tax authorities in several western countries over this matter. Ensure that when paying money to an itinerant, the paying Church obtains the actual itinerant organisation name and Charity exemption numbers that will be receiving the monies, and that any compliance forms are filled out for the local Tax Office. (This is best captured at the time of invitation – see GCS form free downloads – Guest Speaker Invitation)

In most western countries payments above \$10,000 are tracked via the Central Bank.

Graeme R Kirkwood (Associate Chartered Accountant)

Mailing Address: PO Box 7409 Baulkham Hills Mail Centre NSW 2153 Australia

Mobile: 0412 476 016 **Phone / Fax 61** (02) 96341255 **e-mail:** graeme@globalchurchsolutions.com

Global Church Solutions, is a division of I for Style 2001 Pty Ltd,

A.C.N. 096 897 522 - **A.B.N.** 48 096 897 522