



30 March 2020

Cashflow assistance

For Church Entities who are employers

This guidance note is provided to assist church entities to help them understand the Government cashflow assistance being provided for businesses.

When reading the information please note there is no differentiation between a Minister of the Word and an employee for the purposes of these assistance measures, a stipend is accounted for as a payroll activity and the PAYG deduction is the amount included for calculation in the assistance below.

Where do you find information?

Please refer to:

- The attached Australian Government Economic Response to the Coronavirus Fact Sheet
- The Australian Government Business website:
<https://www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business>
- Commonwealth Government Treasury website:
<https://treasury.gov.au/coronavirus/businesses>

Are church entities eligible?

- As part of the second economic response package, the Government advised Not-for-profit entities (NFPs), including charities, with aggregated annual turnover under \$50 million and that employ workers will now also be eligible. This is to support employment activities at a time where NFPs are facing increasing demand for services.
- Having said that, the ATO are the group who determine eligibility.
- All Presbytery & Congregation church entities with ABN's should all be registered with the ACNC as charities. A small number may be registered as Public Benevolent Institutions.

What do we need to do to claim the assistance?

- We don't need to do anything different to normal processes, it's actioned by the ATO from lodged BAS statements
- Lodge BAS statements on time, whether monthly or quarterly.
- The Fact Sheet advises that the ATO will pay eligible refunds to the entities within 14 days of receiving the eligible BAS statement if in credit.

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RIVERINA

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How much assistance will be available and can it be included in cashflow planning?

- Please refer to the Government Fact Sheet attached as it includes all the specific details, timeframes and examples of how the payments are calculated and paid.

To assist, the following information can be found on the Government Business website –

<https://www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business>

“Boosting Cash Flow for Employers payments:

- Small and medium business entities with aggregated annual turnover under \$50 million and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.
- Eligible businesses that pay salary and wages will receive a minimum payment of \$10,000, even if they are not required to withhold tax.
- The payment will be delivered by the Australian Taxation Office (ATO) as a credit in the activity statement system from 28 April 2020 upon businesses lodging eligible upcoming activity statements. Where the activity statement amount is in credit, a refund will then be paid within 14 days.
- Eligible businesses that withhold tax to the ATO on their employees’ salary and wages will receive a payment equal to 100 per cent of the amount withheld, up to a maximum payment of \$50,000, between January to June 2020.
- The payments will only be available to active eligible employers established prior to 12 March 2020. However, charities which are registered with the Australian Charities and Not for profits Commission will be eligible regardless of when they were registered, subject to meeting other eligibility requirements. This recognises that new charities may be established in response to the coronavirus pandemic.”

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Type of lodger	Eligible period	Lodgment due date
Quarterly	Quarter 3 (January, February and March 2020)	28 April 2020
	Quarter 4 (April, May and June 2020)	28 July 2020
Monthly	March 2020	21 April 2020
	April 2020	21 May 2020
	May 2020	22 June 2020
	June 2020	21 July 2020

Quarterly lodgers will be eligible to receive the payment for the quarters ending March 2020 and June 2020.

Monthly lodgers will be eligible to receive the payment for the March 2020, April 2020, May 2020 and June 2020 lodgments. To provide a similar treatment to quarterly lodgers, the payment for monthly lodgers will be calculated at three times the rate (300 per cent) in the March 2020 activity statement.

The minimum payment will be applied to the entities' first lodgment.

Additional payment

- To qualify for the additional payment, your business must continue to be active.
- For monthly activity statement lodgers, your additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to a quarter of your total initial Boosting Cash Flow for Employers payment following the lodgment of your June 2020, July 2020, August 2020 and September 2020 activity statements (up to a total of \$50,000).
- For quarterly activity statement lodgers, the additional payments will be delivered as an automatic credit in the activity statement system. This will be equal to half of your total initial Boosting Cash Flow for Employers payment following the lodgment of your June 2020 and September 2020 activity statements (up to a total of \$50,000).

What if a church entity's BAS doesn't show that it employs people; what are they entitled to?

- At present the assistance appears to be for organisations that include employees on their BAS statements
- Further work is to be undertaken to see if eligibility can be established. This specifically relates to Share Governance Early Learning Centres.

What to do?

- Ensure the ATO has the congregation's current bank details for refunds. Congregations who have never received a net BAS refund, or haven't done so for a while, may not have up-to-date bank details registered with the ATO. This may require the Treasurer contacting the ATO if they do not have access to the Business Portal.
- Lodge the BAS before 28 April 2020. Earlier for those who still use paper lodgments as processing times will be longer.

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church**
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Synod of NSW & ACT

COVID-19

GUIDANCE NOTE 4

Covering comment:

The information contained in this Guidance Note is based on current advice from the ATO (as at 27 March 2020).

As this advice can change, it is suggested that if you have questions refer to the Business portal link in this guidance, or contact the covid19@nswact.uca.org.au for more information.

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