



Not-for-profit Faith-based services

How we can work with you

We recognise the special needs of faith-based services within the not-for-profit sector.

Faith-based organisations typically include the advancement of religion as a charitable purpose. Such organisations play an important role promoting our personal and public well-being through pastoral and social support activities such as caring for the sick and elderly, providing rehabilitation services, sheltering the homeless and giving humanitarian aid.

An historical dependence on the generosity of donors and on careful management of cash and asset reserves is now giving way to an increasing focus on generating income through subsidiary business activities. The need to be able to demonstrate how these activities further faith-based objectives may give rise to some of the following challenges:

Increased regulatory pressure

Faith based not for profit organisations are under increasing pressure to tell the story of the charitable activities that have been delivered and the outcomes that have been achieved through their Annual Report.

Competing with each other to have your voice heard

Being in a faith-based not-for-profit market does not mean there is no competition. Even within denominations there are many service providers. The simple fact of finite resourcing and funding means it is critically important to be recognised as an outstanding representative, whose resources are effectively and ethically focused on the services provided.

There is also a need to develop a powerful voice to be heard above the rest, and this may lead to a strengthening of presence through mergers or co-operative arrangements with organisations whose faith is complementary to yours. Specialist professional advice and support are needed to ensure strong foundations are built.

Demonstrating the social value of the work you do

Given the nature of your work, its impact on wellbeing is often intangible and not able to be objectively measured and convincingly demonstrated. Even so, Statements of Service Performance are increasingly becoming an important channel through which to showcase your activities and demonstrate the value of what you do, by linking input costs to service outputs.

Knowing and managing your true costs of service

Faith based organisations should be focused on the delivery of their mission and not on administrative tasks that add little real value. As volunteer services are often available to provide services at minimal or no cost, the real costs are often under-valued and there may be financial and operational challenges where volunteer labour is withdrawn or has to be redeployed. The need to make the best use of limited resources may be problematic where certain community groups you provide for require services that are less cost effective than others. With increasing demands for efficiency and improvements, it is ever more important to know what the true costs of providing services to each group are.

Negotiating effectively on contracting arrangements

The holistic value of services may not be adequately recognised in contracts for provision of services, and this in turn may lead to constraints on resources. While discussions about the cost of resources are unavoidable, the focus should always be on service improvement, to avoid short-term cost cutting that may store up further costs in the future if services suffer as a result. Understanding the value of the trade-offs is critical to securing contracts that guarantee the continuance of services.

Sound governance practice

Achieving an appropriate oversight of an organisation's mission is vital to ensure that the organisation operates as a leader in the religious education, training and support it offers. Often Boards are constructed from individuals with strong faith-based principles, but not necessarily the skills required to ensure a proper focus on strategic priorities and the implementation of sound organisational development and accountability. Similarly, Board structures may have evolved from historical representation that may not be suited to the need for timely strategic decision-making.

Meeting your regulatory requirements

We assist you to structure and tell the story of the charitable outcomes that you have achieved:

- Review of objectives in your constitution to ensure compliance with Charities Act 2005.
- Charitable Service Delivery Compliance Report, an independent report on actual delivery of charitable objectives
- Assistance with development and implementation of a Statement of Service Performance.
- Audit and Assurance services to provide funders with comfort your annual financial statements are fairly presented

The depth and breadth of our experience allows us to provide a full range of services that adds true value, delivered by real specialists with demonstrable expertise.

Financial reporting support

We assist you to focus on the delivery of your mission by streamlining administrative tasks:

- Assistance with setting up appropriate accounting general ledger systems appropriate for your size including cloud based solutions.
- Finance system and procedure efficiency reviews, our goals are to help you protect donation income and reduce administration costs.
- Technical accountancy policy issues, advice of accounting policy choices available, treatment of funding contracts for example.
- Assistance with Charity Services annual filing requirements.

Assurance and compliance

Auditing is a core service for us. In providing this we do more than sign an audit report – our clients see that we go the extra mile. In this and other compliance services, such as taxation, we bring our understanding of the special nature of your operating environment, the people you work with and the issues you face, to provide a reliable and cost-effective multidisciplinary service. We help you meet and respond to laws, regulations and funders' requirements worldwide, in a way that adds value to your organisation. Our assurance and compliance services include:

- additional added-value services as part of the audit
- reporting on compliance with funders' requirements
- reporting on internal controls and processes

Tax Advisory services

For many faith based organisations registered as charities the treatment of GST is not simple, and specialist advisory services are required to ensure you get in right. Also there is an expectation of being entirely exempt from income tax, but this is not always true and requires careful planning to minimise income tax liability.

- GST reviews to provide comfort GST is being appropriately filed with the Inland Revenue Department
- Advice on ensuring donor status is retained.
- Treatment of off-shore funding and distribution of funding to overseas organisation
- Advice on one-off transactions such as land and building sales.
- Optimum structure for GST registration of branches and affiliated organisations

Governance and risk management

Plans for future strategic development will have to take into account many new and uncertain factors. We help our clients with the development and review of business plans and strategy, and the identification and management of associated risks. We help clients to choose the right structures and to ensure they have the right people in the right place, doing the right things in the best way to achieve goals. Our work includes:

- setting strategic objectives and developing the strategic and tactical plan
- methods of motivating staff towards strategic goals
- project planning and implementation
- advice on organisation and project governance
- developing and implementing risk management frameworks.

Strategic alliances and collaborative working

Not-for-profit organisations often need to enter into partnerships, joint ventures and other strategic alliances. We have strong experience in this area and have advised and supported on a number of high-profile mergers and alliances. We have a well-tried methodology to:

- set clear goals and consider the options
- decide on the structure, carry out due diligence and obtain any regulatory clearances
- identify a partner who contributes strength, balance and complementary skills.

We hope this brochure has given you a clear picture of how we could work with you and support your organisation as you meet your objectives. If you think we can help you, please contact one of our principals or visit our website to meet the team.

The right size, the right skills and right expertise – the right choice

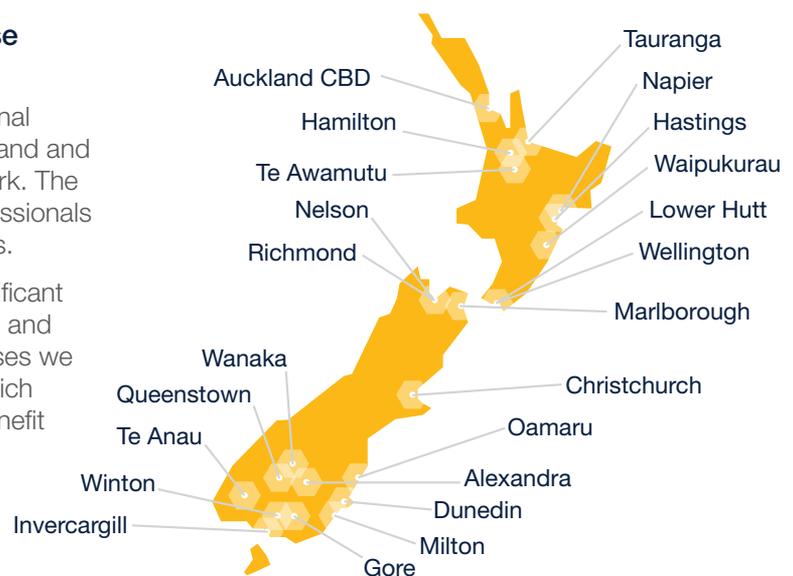
Crowe Horwath New Zealand has the largest professional assurance and accountancy footprint across New Zealand and is a member of the Crowe Horwath International network. The firm in New Zealand and Australia has over 3,000 professionals delivering a full range of audit, tax and advisory services.

With 23 offices throughout New Zealand, we have significant coverage in remote and regional areas, as well as cities and towns, which is unmatched in our industry. In many cases we have offices that are local to our clients' operations, which allow us to minimise travel costs while providing the benefit of local knowledge.

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The relationship you can count on

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