

Donation Tax Credits under the Income Tax Act 2007-Short Form

Tupe Lafoga Maua i lalo o le Income Tax Act 2007 – Pepa Fa’apu’upu’uina

General – *Fa’alateleina*

This document is the short form of a long document that goes into all the detailed issues around donation receipts. If you require the long form version, then please ask the Connexional Office.

O le nei pepa o le faapu’upu’uina lea o le pepa umi o lo o iai le tele o fa’amatalaga e uiga i lisiti o lafoga. Afai e te manaomia fa’amatalaga o lo o i le pepa umi atu i lo lenei pepa, fa’amolemole ia fesili mai i le Ofisa Tutotonu o le Ekalesia.

In the last two to three years the Inland Revenue Department have been taking a greater interest in donation tax credits lodged by individuals as part of their annual tax returns. During this time some people have had their donation tax credits rejected by the IRD.

I le lua i le tolu tausaga ua tuanai ai, sa matua mataitu lava le Matagaluega o Lafoga i tupe o lafoga maua a tagata taitoatasi o lo o ua tuuina mai i totonu o se vaega o a latou tupe e toe maua atu i lafoga. O le taimi lenei e iai nisi o tagata ua te’ena e le Matagaluega o Lafoga a latou lafoga e toe maua atu.

This update is to address concerns of the IRD in order to minimise the possibility of donation tax credits being declined.

O le nei fa’aaliga ua fa’aailoa atu ai le atugaluga o le Matagaluega o Lafoga ina ia fa’aitiitia ai le iai o tupe o lafoga e maua ua fa’aleaogaina.

The Church takes very seriously that it is a charitable organisation and that its supporters are able to claim tax credits (if they choose to) for their ongoing support of the Church.

Ua matua silasila toto’a lava le Ekalesia o le Fa’alapotopotoga e faia mea uma i le alofa ma le foai mai le lotu, ma o ona tagata lolotu e mafai ma iai le aia tatau e toe maua mai ai se tupe o ana lafoga mo lo latou lagolagoina o le Ekalesia po o le Lotu.

Church/Supporter/Donee View – *Lotu/Tagata Lagolago/Finagalo o le tagata foai* -

A Methodist Church entity may issue a donation receipt for donation tax credit purposes when a supporter makes a **“charitable or other public benefit gift”** to the Church of \$5 or more either as an individual donation or as a series of properly recorded donations over a year.

*O se vaega o le Lotu po o le Ekalesia Metotisi e mafai ona avatu se lisiti o tupe ua lafoina pe foaiina e se tasi aua lafoga nei e toe maua mai le ofisa o Lafoga, pe afai e foaiina e le tagata o le lotu se **“meaalofa mai lona lava agalelei”** i le Lotu e \$5 pe sili atu foi mai tagata taitoatasi pe o se tuu fa’atasiga o ni lafoga a tagata ua fa’amaumauna e sili atu i le tausaga.*

What is a “charitable or other public benefit gift”?

O le a le “meaalofa e foai fua po o le meaalofa e penefiti ai isi”?

The phrase “charitable or other public benefit gift” is defined in the Act. It means a *monetary gift* of \$5 or more paid to a donee organisation.

O le fa’amatalaga o le “meaalofa foai fua po o le meaalofa e penefiti ai isi” o lo o fa’amalamalamaina i le Tulafono. O lona uiga o le meaalofa tupe e \$5 pe sili atu foi ua totogi i le fa’alapotopotoga o loo ua ave iai.

To qualify as a monetary gift, the gift needs to be money of \$5 or more. For example, payment may be by cash, cheque, direct debit, credit card or debit card.

O aiaiga e aveva ai ma meaalofa tupe, o le meaalofa e tatau ona \$5 pe sili atu. Mo se fa'ataitaiga, o le tupe e tatau o se tinoitupe, o se siaki, po o se tupe e aveeseina mai le tusi tupe.

For a payment to be a “gift” it must be made voluntarily and no material advantage may be received by the giver in return for the payment. A payment is voluntary even if made under a sense of moral obligation. A payment that places the Church under an obligation to do or provide something in return for the payment is not a gift.

Mo se lafoga o se “meaalofa” e tatau ona faia o se meaalofa ua ofoina atu, ma e le tatau ona iai se isi mea e tuuina atu i le na ofoina mai lena meaalofa o se totogi po o se tau i o le meaalofa. O se lafoga foi ua ofoina ona o se matafaioi e tatau ona faia. O se lafoga e tuuina ai le Lotu po o le Ekalesia i lalo o se matafaioi e tatau ona faia ai se mea e toe maua mo le lafoga e le o se meaalofa.

When will the Commissioner consider a payment is not a gift?

O le finagalo o le Komisina e fa'aalia pe afai o le lafoga e le o se meaalofa.

The Commissioner considers a payment will not be a “gift” where:

O le Komisina e filifili i le lafoga e le o se “meaalofa” pe afai:

- the supporter’s payment is made in return for a material benefit or advantage, or
- ***o le lafoga a le tagata lagolago ua faia mo se tau i toe maua mai mo ia, po o***
- the Church is placed under a material obligation to do or provide something in return for the supporter making the payment.
- ***Le Lotu po o le Ekalesia ua tuuina i lalo o se fa'amoemoe e toe maua mai, pe tuuina mai se tau mo le tagata lagolago na faia le lafoga.***

Donation Tax Credits –From the Supporters View Point

The sum of charitable or other public benefit gifts made by an individual taxpayer in a tax year must not exceed their taxable income for that year.

O Tupe Lafoga Maua – mai le vaai a le Tagata lagolago

O le aofai o tupe maua mai le alofa po o nisi o tupe maua fa'ameaalofa e fai e tagata taitoatasi o loo totogiina lafoga i le malo i le tausaga faale tupe e le tatau ona sili atu i tupe latou te mauaina i lena tausaga.

If the sum does exceed the taxpayer’s taxable income, the Commissioner must reduce the total amount of charitable or other public benefit gifts so the taxable income is not exceeded (ss 41A (3) and (4) of the TAA).

Afai e sili atu le aofai o le tupe e maua e le tagata fai lafoga i lo le tupe nate maua, ona faaititia lea e le Komisina o le aofai o tupe fa'ameaalofa ina ia aua nei sili atu i le lafoga o loo mauaina. (ss 41A (3) ma le (4) o le TAA).

Supporters of the Church need to be aware that the IRD exchanges information with other Government agencies and has access to your income position. If a supporter of the Church does indeed claim a tax credit of their taxable income or close to their taxable income, then the Commissioner will ask questions, such as “what are you living on if all your income has been given away?”

O i latou uma e lagolagoina le Lotu po o le Ekalesia e manaomia lo latou silafia o le Matagaluega o Lafoga e fesuia'i a latou fa'amatalaga ma isi Ofisa o le Malo ma e mafai ona latou maua fa'amatalaga e uiga i au tupe maua. Afai o tagata lagolago o le Lotu e tuuina i totonu se faatagi

aua se tupe toe maua mai o latou tupe maua, pe soso atu foi i tupe o loo latou mauaina mai o latou tupe maua, ona fesiligia loa lea e le Komisina ni fesili e pei o le “O a mea o loo e ola ai pe afai o tupe uma o lo o e maua ua aveeseina?”

Things to Note – *O nai mea e ao ina silafia*

Here is a list of things to be aware of: *O le lisi lenei o mea e ao ina silasila iai:*

- Please do not use correction fluid or cross out details and write corrections on donation receipts. Please cancel or destroy the receipt and prepare/print another receipt.
- *Fa’amolemole aua nei fa’aogaina se vaila’au fa’asa’o ai pe kolosi ese ni fa’amatalaga, ae toe fa’asa’oina se mea i luga o le lisiti o tupe foi atu.*
- The Officers listed as people who are approved to sign the donation receipt SHOULD NOT authorise/sign their own receipts or those relating to their immediate family.
- *O tagata ua lisiina o i latou e fa’amaonia e sainia lisiti o tupe foi atu, E LE TATAU ONA fa’atagaina i latou e toe sainia a latou lava lisiti, po o nisi o latou aiga.*
- As Inland Revenue has difficulty at times contacting authorised persons from certain organisations or parishes when trying to verify receipts, please ensure the contact details of authorised persons are updated regularly with DIA-Charities Services and Inland Revenue.
- *Ona o le faigata i le Matagaluega o Lafoga ona fesootai atu i e ua iai le faatagana mai Matagaluega pe afai o loo iai ni lisiti e manaomia se faamaoniga, faamolemole ia mautinoa le faasa’oina o telefoni ma imeli ma tuatusi o i latou o loo iai tofi nei i totonu o Matagaluega a le Ekalesia, ma fesootai i le DIA-Charities Services faapea le Matagaluega o Lafoga.*
- The donation receipt given by the Church to an individual must reflect that individuals donations to support the work of the Church. In the event of family members giving a parent or other family member cash to give to the Church and the parent hands that money onto the Church, the donation receipt should be made out to the family member, not the parent.
- *O le lisiti o tupe foi ua tuuina mai e le Lotu i tagata taitoatasi e tatau ona atagia ai le tupe na foaiina e lagolago ai galuega a le Lotu po o le Ekalesia. Mo ni tagata o aiga ua tuuina atu i matua po o se isi o le aiga se tinoitupe e avatu i le Lotu po o le Ekalesia, ma tuuina atu ai e matua lena tupe i le Lotu, o le lisiti o lena tupe na foaiina atu e tatau ona tusia lea i le tagata lena o le aiga na foaiina le tupe, ae le o matua.*
- If a family or congregation member has a fund raising event for a Parish and those funds are passed onto the Parish, they are NOT classified as a “donation” to the Parish and therefore no donation receipt is issued, it is fund raising.
- *Afai o se aiga po o se tagata o le aulotu na faia se sailiga tupe mo le Matagaluega, ona avatu ai lea o tupe ua maua i le Matagaluega, o na tupe uma E LE TATAU ona ta’ua o se “meaalofa” i le Matagaluega, o lona uiga e leai se lisiti e tuuina atu mo na tupe maua, ona o tupe na maua o se sailiga tupe.*
- If a parish parishioner loans money to the Parish and then later “forgives” the loan so that either part of or all of the loan does not have to be repaid, that is not considered a donation for the purposes of the Income Tax Act and the IRD will ask questions.
- *Afai o se tasi o le Matagaluega ua aitalafu se tupe mai le Matagaluega ona mulimuli ane lea ua ‘faamagalo’ le tupe aitalafu ina ia aua nei toe totogiina mai lena tupe, e le ta’ua lena tupe o se lafoga ua faia mo le Income Tax Act faapea le Matagaluega o Lafoga o le a fesiligia loa le Matagaluega ini fesili.*

Appendix A – Vaega A

Donations and Receipts for Donations – *Lafoga ma Lisiti mo Lafoga*

The Methodist Church has a standard form of receipt which should be issued to people providing donations to the Church. The Inland Revenue Department has set requirements for these receipts and these requirements should be followed at all times.

E iai le lisiti ua tapena e le Ekalesia Metotisi e tatau ona avatu i tagata o loo avatu a latou lafoga i le Lotu/Ekalesia. Ua maea foi ona seti e le Matagaluega o Lafoga ni aiaiga e tusa ma nei lisiti ma o nei aiaiga e tatau lava ona mulimulita'i i taimi uma.

The evidence of the donation needs to be in the form of either a letter, on letterhead or a receipt with the church name clearly identified as being linked to the Methodist Church;

- The church names is shown in full, including their address;
- The name of the taxpayer for whom the receipt/letter is for;
- The amount of the donation;
- The year ending date.

O le fa'amaoniga o lafoga poo tupe na foai mo le Lotu e mafai ona aumai i se tusi fa'aaogaina ai se pepa o loo iai le igoa o le lotu po o se lisiti o loo iai foi le igoa o le lotu e iai se fesootaiga ma le Ekalesia Metotisi.

- *O le igoa o le Lotu e tatau ona faailoa uma mai, faapea ma le tuatusi;*
- *O le igoa o le tagata na foaiina le tupe o le o loo manaomia le lisiti po o le tusi foi;*
- *O le aofai o le tupe na foaiina pe na lafoina i le lotu;*
- *O le aso na fa'agata ai o le tausaga.*

A copy of the standard form of receipt is available as a PDF form from the Connexional Office. Before issuing a receipt, please make sure that you have an audit trail which you and others will be able to follow in the event that the Inland Revenue Department ask for proof or confirmation of the donation. The donation must be detailed in the cash book and accounting system noting the person giving the donation, the date it was received and the amount of the donation. This must be able to be followed through to a deposit in the bank account of the parish. If a deposit in the bank account is made up of more than one donation, each donation must be able to be proved to be banked to a deposit into the parish bank account.

O le kopi o le nei lisiti o loo maua lea o le PDF mai le Ofisa Tutotonu o le Ekalesia. Ao lei tuuina atu le lisiti, fa'amolemole ia mautinoa o lo o iai ni au fa'amaumauga e mafai ona mulimuli ai pe afai e tapa atu le ofisa o Lafoga ini fa'amaoniga o le tupe po o le lafoga na e foaiina atu.

O le lafoga poo le tupe na foaiina atu e tatau ona fa'amauina lelei i le tusi lisiti ma fa'amaumauga a le Ekalesia/Lotu fa'apea le iloa o le tagata na tuuina atu lenei foai po o le lafoga, o le aso na avatu ai ma le aofai o le foai. E matua tatau lava ona iloa foi i le taimi na teuina ai i le tusi tupe a le Matagaluega i le faletupe. Afai o le tupe na teu i le tusi tupe e sili atu i lo le tasi le lafoga, o lafoga po o tupe na foaiina atu taitasi uma e tatau ona faamaonia na teuina i le tusi tupe a le Matagaluega.



**THE METHODIST CHURCH OF NEW ZEALAND
TE HAAHI WETERIANA O AOTEAROA**

Receipt Number

Parish Name and Address

Charities Services Number: _____

IRD Number: 10-836-166

This is to certify that donations were received from (donor):

Rev/Mr/Mrs/Miss/Ms _____

Address _____

For the period of twelve months ending 31st March _____ \$ _____

Amounting to _____ Dollars

_____ Cents

Envelope Number _____

OR

Nature of Gift _____

Signed / / Date

(Parish Steward/Treasurer/Recorder)

Example: O le fa'ataitaiga lea o le faatumuina o le lisiti mo tupe na e foaiina i le lotu, e tuuina atu ia te oe e le teutupe o le tou Aulotu aua lau lafoga toe maua mai i le Matagaluega o Lafoga.



**THE METHODIST CHURCH OF NEW ZEALAND
TE HAAHI WETERIANA O AOTEAROA**

Receipt Number
2017/1567

ABC Methodist Parish, 15 Sunny Street, Auckland Parish Name and Address

Charities Services Number: CC1234

IRD Number: 10-836-166

This is to certify that donations were received from (donor):

Rev/Mr/Mrs/Miss/Ms Peter Wood

Address 33 Wacker Street
Newburn, Auckland

For the period of twelve months ending 31st March 2017 \$ 3,527.00

Amounting to Three thousand five hundred and twenty seven Dollars

_____ Cents

Envelope Number 1567

OR

Nature of Gift Envelope giving on a weekly basis - This is the annual receipt

Peter van Hart - Treasurer Signed 5 / 5 / 2017 Date

(Parish Steward/Treasurer/Recorder)

Notes

- The Parish or Methodist entity name and address must appear on the top line. The name should be the same or very similar to the name that appears on the Charities Services website as this is what the IRD use as its default.
- ***O le igoa o le tou Matagaluega poo se isi vaega o le Ekalesia Metotisi Niu Sila e tatau ona i luga o le laina pito i luga. O le igoa e tatau ona tutusa ma le igoa o loo i luga o le upega tafailagi a le Charities Services, ona o le igoa lenei e faaaogaina e le Ofisa o Lafoga.***
- If at all possible issue a receipt number which is unique to the person who you are issuing the receipt to. In this case I have used the year end date and the envelop number.
- ***Afai e talafeagai ona avatu lea o le numera o le lisiti e taua lea i le tagata o loo e tuuina atu iai le lisiti. I le nei faataitaiga o loo o'u faaaogaina ai le aso faaiu ma le masina ma le tausaga faale tupe faapea foi ma le numera o lana teutusi.***
- The correct Charities Services registration number for the entity must be included.
- ***O le numera o le lesitala sa'o o le Charities Services mo le faalapotopotoga e tatau ona iai.***
- The full name of the taxpayer/supporter/donor must be included as well as their residential address
- ***O le igoa atoa o le tagata na foaiina atu pe na lafoina le meaalofo, e tatau foi ona iai, faapea ma lona tuatusi o loo nofo ai.***
- Both the numeric and written amounts should be included on the annual receipt. This is the amount that should agree with the donations received in the cash book/accounting system and bank deposits.
- ***O le fuainumera faapea ma le aofai e tusia i upu e tatau ona iai i luga o le lisiti faale tausaga lenei. O le aofaiga lenei e tatau ona tutusa lelei ma le aofai o le tupe foai fa'ameaalofa poo le lafoga na taliaina ma fa'amauina i le tusi tupe ma pepa na teuina ai tupe.***
- If the supporter has an envelope number, provide it here or under the "Nature of Gift" write clearly:
- ***Afai o le tagata lagolago i le Lotu e iai se numera o lana teutusi, ona tuuina lea iinei poo le "mafuaaga foi na faia ai le meaalofo", tusi manino:***
 - Offerings made on a Sunday to the Parish
 - ***Taulaga e faia i le Aso Sa i le Matagaluega***
 - Offerings by direct debit
 - ***Taulaga e aveeseina mai le tusi tupe a le tagata***
 - Payroll giving
 - ***Taulaga mai lou totogi***
 - Donation for building renovations
 - ***Taulaga po o tupe foai mo le faaleleia o galuega o ni fale***

Please Note: If you make an error in completing the form, a new form must be issued. Do not white-out the error and correct or make other corrections.

Aua le silafia faamolemole: afai e faia se mea sese i le faatumuina o le pepa, o se pepa fou e tatau ona toe tuu atu e faatumu mai. Aua lava nei e faaaogaina nisi ala o faasa'oga e faasa'o ai le pepa, e pei o le titina i le vaitusi pa'epa'e, pe osiosi.

One of the following people are authorised to sign the receipts (in order of preference):
O se tasi o tagata nei ua faatagaina atu e sainia le lisiti (i lona faasologa lenei):

- The Recorder – ***O Iē Faamaumuina tupe***
- The Treasurer – ***O le Teutupe***
- One of the Parish Stewards – ***O se tasi o Situeti o le Matagaluega***
- Print the name of the person, their position and then sign and date it.
- ***Ia tusia le suafa o le tagata, o lona tulaga ona saini lea ma tusia le aso.***

Please Note: The person who is completing the form MUST NOT sign their own or a family member's donation receipt.

Aua le silafia faamolemole: O le tagata o lo o faatumuina le pepa E LE TATAU ona sainia e ia lona igoa po o se tasi o lona aiga i le lisiti o lafoga po o tupe ua foaiina atu i le lotu.

If the Connexional Office receives a call from the IRD and can NOT identify the Methodist entity, the Charities Services registration number and the name of the person who has signed the receipt, the Connexional Office will NOT validate the receipt and will ask the IRD to return it to the taxpayer for clarification.

Afai e o'o atu i le Ofisa Tutotonu o le Ekalesia se telefoni mai le Matagaluega o Lafoga MA E LE O MAFAI ona iloa poo ai le aulotu/matagaluega/vaega o le aiga Metotisi, e le o iloa foi le numera resitala o le Charities Services, ma le igoa o le tagata na sainia le lisiti, o le a LE MAFAI FOI ona faamaonia lena lisiti e le Ofisa Tutotonu, ma o le a fai atu foi I le IRD po o le Matagaluega o Lafoga, e toe faafoi le lisiti i le tagata na avatu ai mo se faamalamalamaga.