CHARITIES SERVICES
Ngā Ratonga Kaupapa Atawhai

Tier 4 Annual Reporting Guide

A resource for registered charities

Internal Affairs
Te Tari Taiwhenua

About Charities Services

Charities Services (Ngā Ratonga Kaupapa Atawhai) is part of the Department of Internal Affairs (Te Tari Taiwhenua). We administer the Charities Act 2005, and strive to be a modern, responsive and risk-based regulator. We aim to promote public trust and confidence in the charitable sector and encourage the effective use of charitable resources.

Our vision is a well-governed, transparent and thriving charitable sector with strong public support. We register and monitor charities, process annual returns, and provide educational support, advice and guidance to encourage good governance and management practices.

Contents

Introduction

This guide helps Tier 4 charities understand their reporting requirements to Charities Services and provides step-by-step guidance for completing a Performance Report.

All registered charities are required to report annually by submitting an Annual Return form and a Performance Report. The report must comply with the financial reporting standards set by the External Reporting Board, the independent Crown Entity responsible for writing accounting standards. The Tier 4 (Not-For-Profit) Standard has been developed to:

- improve the quality and consistency of the information provided by charities
- give a clearer overview of a charity's performance year by year
- make it easier for readers to access the information they need from charities.

When do charities need to report?

Charities need to file their Annual Return form and Performance Report with Charities Services within six months of their balance date.

	Charity's balance date (financial year end)	Six months from balance date
Example 1:	31 March 2025	30 September 2025
Example 2:	30 June 2025	31 December 2025

Reporting options for Tier 4

Tier 4 charities have two reporting options.

Option 1 Combined Annual Return

Some Tier 4 charities with very simple transactions can use a Combined Annual Return form to file thier annual return. This combines the annual return and performance report into a single submission.

This is available to charities reporting under Tier 4 that:

- don’t want to provide additional detail on their individual transactions
- haven’t already prepared their performance report as a separate document
- don’t want to prepare the performance report as a separate document.

This option is only available online. Log in to your charity account and select ‘Annual return’.

We also have a webinar that explains the form and guides you through how to complete it.

Option 2 Full Performance Report and Annual Return

Tier 4 charities that cannot use the combined form must prepare a full performance report and complete a separate annual return.

This guide explains how to report using option 2.

How to report to Charities Services

STEP 1 Confirm your charity's tier

Charities report using a tiered system, which depends on your charity's operating payments. You can confirm your charity's tier on the next page (page 5).

STEP 2 Prepare a Performance Report

The Performance Report tells your charity's story for the year and summarises both financial and non-financial information. It must be prepared using the Tier 4 Reporting Standard set by the External Reporting Board. Templates and guidance (from page 7) are available to assist you in meeting the requirements.

STEP 3 Prepare an Annual Return form

The Annual Return form ensures that the information about your charity on the Charities Register is accurate and up to date. You can find the form by logging into your charity's online account on our website.

When completing the form, you will need to re-enter some details from your Performance Report. Additional information will also be requested, including details about your charity's officers.

Please note: Dates of birth and home addresses provided are kept confidential and are not made publicly available.

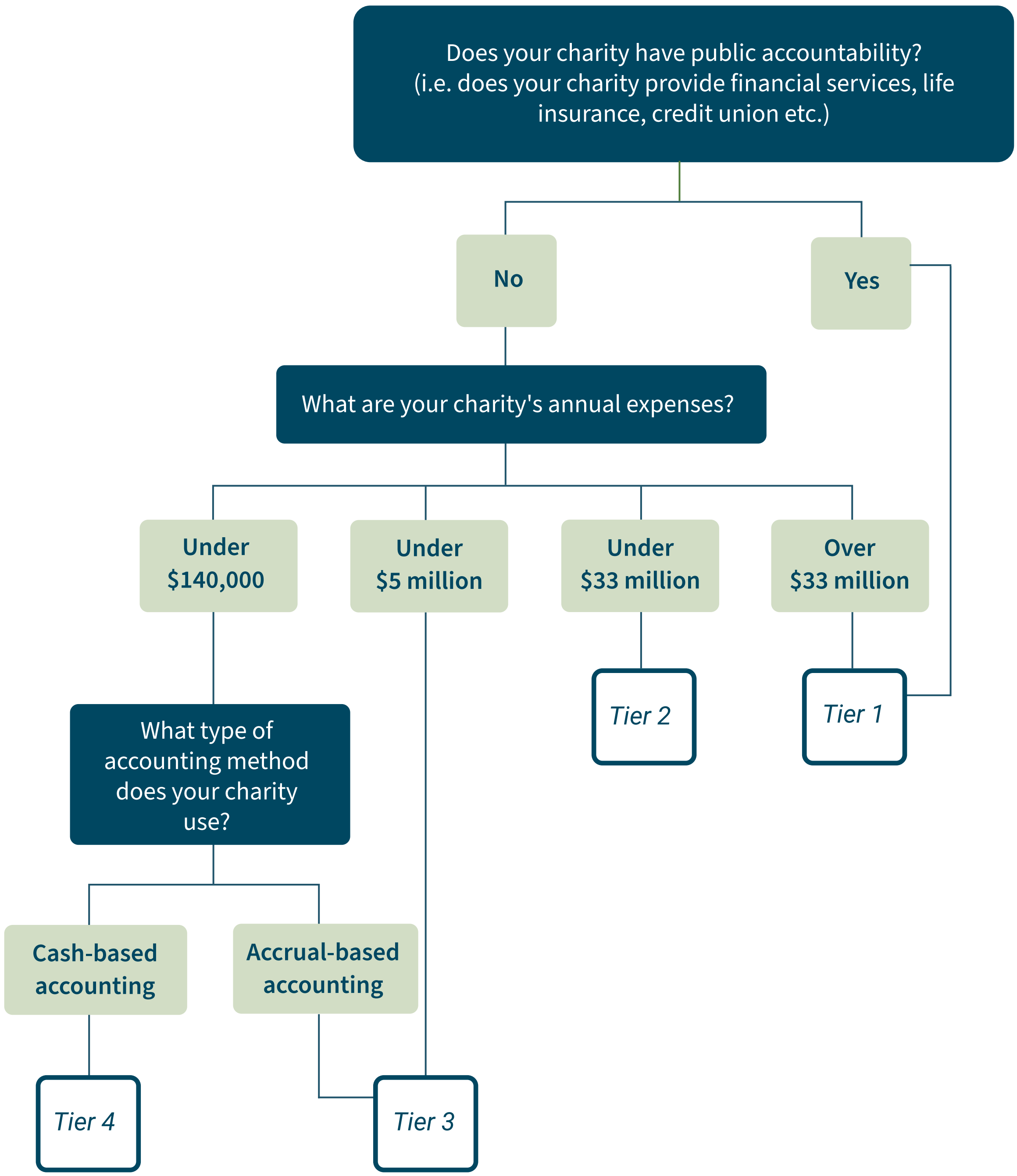
STEP 4 File and pay a filing fee

Submit your completed Annual Return form and Performance Report. The easiest way to do this is by logging into your online account. Your charity may need to pay a filing fee. You can find out more about filing fees on our website.

Confirming your charity's tier

It's important to check which tier your charity can use as the reporting requirements vary depending on the tier. The higher the tier, the more detailed the reporting requirements.

Use the diagram below to confirm the right tier for your charity.



Reporting under Tier 4

You can report under Tier 4 if:

- your charity's annual operating payments are under $140,000 for the current financial year, and
- your charity's annual operating payments were under $140,000 in at least one of the last two years (if applicable), and
- your charity does not have public accountability, meaning it doesn't hold money or assets for other people (i.e. financial services, life insurance, credit unions), and
- your charity uses cash-based accounting not accrual-based accounting.

What are operating payments?

These are the cash amounts your charity spends during the year for things such as salaries, rent, utilities and other basic expenses.

What is the difference between cash-based and accrual-based accounting?

Cash-based accounting (used by Tier 4) records transactions when money is received or paid. For example, if you pay a bill in March, it's recorded in March, even if the bill is for an earlier month.

Accrual-based accounting (used by Tiers 1, 2 and 3) records transactions when they happen, regardless of when money changes hands. For example, if you receive a donation in December, it's recorded in December even if the money isn't received until a later date.

What is a Performance Report?

The Performance Report is a summary of your charity's activities for the past financial year. It includes both financial and non-financial information. Its purpose is to "tell your charity's story", helping your members, funders, donors and the public understand the work that you do. Your report must follow the Tier 4 (Not-For-Profit) Standard.

There are four parts to the Performance Report:

Entity Information
Who are we? What is our purpose?

Statement of Service Performance
What did we do?

Statement of Cash Received and Cash Paid
What money did we receive? What money did we spend?

Notes to the Performance Report
What other information supports our report?

Templates

Tier 4 charities can choose from two template options provided by the External Reporting Board, available for download on their website. Both templates are available in Excel and PDF formats. By using the provided templates, you can ensure your report is in line with the Tier 4 (Not-For-Profit) Standard.

Simple Tier 4 Performance Report template

This template meets the minimum requirements for reporting. It is suitable for charities with simple and straightforward transactions, where you are not required to provide more details than the minimum requirements.

Full Tier 4 Performance Report template

This template enables charities to disclose more information for a more comprehensive view of their work. This can help members, funders, and the public better understand the work that you do.

Performance report guidance

Step-by-step instructions

The following pages will guide you through the Performance Report using the Full Tier 4 template.

Accounting terms in the template are explained with examples to help you understand what information to include and how to accurately describe your charity's activities and finances.

We recommend using this guidance as you prepare your report.

Note: If you're using the Simple Tier 4 template, you may not need this guidance, but it is available for reference if required.

Instructional headings

Different parts of the report have different requirements. Red headings indicate whether information is:

- **required**
- **optional**
- **required if applicable**

------------------ ***Start of the Performance Report*** ---------------------

Enter your charity's name and its balance date at the top of the template. If you are using the PDF version, you will need to write this information on every page.

Required

Category	***Guidance***
Organisation name	The name you commonly use (not necessarily your legal name).
For the year ended	This is the last day of your charity's accounting year (also known as a balance date) typically covering a 12-month

Entity Information

How to use this section

Provide key details about your charity's name and legal structure in the Entity Information section. Below are the template categories with explanations and examples.

Required

Category	***Guidance***
Name of entity	Your charity's name as it appears on the Charities Register.
Type of entity	Your charity's entity type, e.g. trust, unincorporated society, company, etc.

Statement of Service Performance

How to use this statement

This statement helps people understand what your charity does beyond the financial details.

Explain the main activities your charity did during the financial year to reach its goals. If possible, include quantities or other measures to show the impact of your work. Focus on the most significant measures that will help readers understand your charity's accomplishments over the year.

This statement should signed by a trustee or officer of your charity. It is best practice to have two signatories.

Required

Main activities	*Quantity current year*	*Quantity last year*
Prepared meals for retirement villages across the Wellington region	600 meals	550 meals

Required

This Performance Report has been approved by those charged with governance:

Date:	Date:
Signature:	Signature:
Name:	Name:
Position:	Position:

Statement of Cash Received and Cash Paid

How to use this statement

This statement shows all the money your charity received and spent in the current and previous year. It helps readers understand your charity's financial health and performance.

Include only the categories that apply to your charity. If you want to provide more descriptive information, you can do so in the Notes to the Performance Report (pages 18-21).

Below are the template categories with explanations and examples.

Required if applicable

Category	***Guidance***
Opening balance in bank account(s) and any cash on hand	The amount of money in a charity's bank account(s) and cash on hand at the beginning of the financial year.
Plus: Cash received for operating activities	Any money you received, whether it was deposited directly into your bank account or given to you as cash.
Donations, koha, bequests and other fundraising	Money received from fundraising activities, donations and bequests (money left in wills). *Examples:* • Money raised from sausage sizzles, movie nights and gold coin entries for events. • Koha given to a marae from visitors in the form of cash.
General grants received	Grant funds that are not linked to providing specific goods or services. *Example:* • $10,000 grant to support a charity's overall mission, spent on operational costs, stationery and a new computer.

Service delivery grants/ contracts	Money received from grants or contracts for providing specific goods or services. This includes funds for delivering goods or services that support your charity's goals. *Example:* • $5,000 grant to deliver a specific youth educational programme.
Membership fees and subscriptions	Money received from members of a charity in the form of fees or subscriptions. *Example:* • $580 from annual membership fees.
Sale of goods or services (commercial activities)	Money received from the sale of goods or services as part of a commercial or business activity for the primary purpose of generating a profit. *Example:* • Income from running a second-hand store.
Interest or dividends received	Amounts earned from interest, dividends and investments. *Examples:* • Interest from the bank. • Dividends from investments.
Other cash received	Other money your charity received that is not covered in the categories above (this category is typically used for small amounts received). *Example:* • Insurance payout.
Total cash received from operating activities	The total amount of money received from a charity's main activities.

Required if applicable

Category	*Guidance*
Less: Cash paid for operating activities	Money a charity spent on its main activities.
Fundraising costs	Money spent directly on fundraising activities. *Example:* • Raffle prizes.
Employee remuneration and other related costs	Money paid directly to employees through payroll, and costs associated with their employment. *Examples:* • Salaries and wages. • Staff recruitment. • Staff training and development.
Volunteer related costs	Money spent to support volunteers. *Examples:* • Honoraria (payment made to someone for their services as a gesture of appreciation rather than a salary). • Petrol vouchers provided to volunteers.
Costs related to sale of goods or services (commercial activities)	Money spent on selling goods or services on commercial terms. *Example:* • Buying inventory to sell.
Other costs related to delivery of entity objectives	Money a charity spent on providing activities, goods and services that support its goals, that don't fit into the categories above. *Example:* • Administration and operating costs.

Grants and donations paid	Grants or donations made by a charity. *Examples:* • Providing scholarships or grants. • Donations to other charities.
Other cash paid	Other payments a charity made that are not included in the categories above (this category is typically used for small amounts received). *Examples:* • Interest expense. • Legal costs.
Total cash paid for operating activities	The total amount of money a charity spent on its main activities.
Total GST (paid) or refunded in the financial year	The total amount of GST that a charity has either paid or received as a refund during the financial year.
Cash surplus or (deficit) from operating activities	The difference between the cash received from operating activities and the cash spent on those activities.

Required if applicable

Category	Guidance
Plus: Cash received from other activities	Money a charity ***received*** from activities that are not part of its main charitable work.
Sale of investments	Money received from the sale of investments. *Example:* • Selling stocks or bonds.

Sale of other assets	Money received from sale of physical assets. *Examples:* • Office furniture. • Vehicles.
Cash received from loans and borrowings	Money borrowed from financial institutions, individuals and other organisations. *Examples:* • Bank loans. • Personal loans. • Crowdfunding.
Total cash received from other activities	The total amount of money a charity received from activities that are not part of its main charitable work.

Required if applicable

Category	***Guidance***
Less: Cash paid for other activities	Money a charity spent outside of its main activities.
Purchase of investments	Money spent to purchase investments. Example: • Buying shares.
Purchase of other assets	Money spent to purchase physical assets. *Examples:* • Computers. • Gym equipment. • Office furniture.

Repayment of loans and borrowings	Money paid to repay a bank loan or other borrowings. *Example:* • Bank loan repayment.
Total cash paid for other activities	The total amount of money a charity spent on activities outside of its main charitable activities.
Cash surplus or (deficit) from activities	To find this value: subtract the value in the "Total cash paid for other activities" field from "Total cash received from other activities"
Income tax paid or refunded (if applicable)	Enter any income tax paid to Inland Revenue (or refunded). If not applicable, enter 0.
Increase/(decrease) in cash for the financial year	To find this value: add up the values for "Cash surplus or (deficit) from other activities" and "Cash surplus or (deficit) from operating activities".
Closing balance in bank account(s) and any cash on hand	The amount of money available in a charity's bank account(s) and cash on hand the end of the financial year.
Represented by:	
Closing balance of bank account(s)	The amount of money available in a charity's bank account(s) at the end of the financial year.
Balance invested in term deposit(s)	The amount of money placed into term deposits.
Undeposited cash held by the entity	The amount of physical money a charity has available, i.e. cash on hand, petty cash.
Total cash balances held	The total of the above.

Notes to the Performance Report

How to use the notes section

Notes allow you to add more details explaining the information in other parts of the Performance Report. This can help provide a fuller picture of your charity. Some notes are required, while others are optional or only needed if they apply to your charity.

We've included examples for each note to help you use them correctly. If a section doesn't apply to your charity, you can delete it from the template, or cross it out if you're using the PDF version.

Required

Note 1: Accounting Policies

This note explains the accounting method your charity used in preparing its report. The template already includes the required text. Only change the text if your charity became a new entity during the financial year. If it did, use the 'new entity' statement below.

(for new entities only)
"The organisation commenced during the financial year on [date]. Accordingly, the Performance Report reflects a period of [xx] months, and no comparative year information exists".

Treament of GST

Use this note to explain whether your charity is registered for GST. Also, say whether the amounts shown in this report include or exclude GST.

Optional

Note 2: Analysis of Cash Received from Operating Activities

Use this note to provide more details about the items recorded under 'Statement of Cash Received from Operating Activities' if you want to.

Example:

	Analysis	Current year	Current year
General grants	Grant from Creative New Zealand	5,000	0
	Grant from Auckland Council	2,000	0
	Total	7,000	0

Optional
Note 3: Analysis of Cash Paid for Operating Activities

Use this note to provide more details about the items recorded under 'Cash Paid for Operating Activities' if you want to.

Example:

	Analysis	Current year	Last year
Expenses related to fundraising	Orchestral concert to raise funds for cancer research	13,000	10,000
	Cancer walkathon	5,000	4,000
	Total	18,000	14,000

Optional
Note 4: Analysis of Cash Received from Other Activities

Use this note to provide more details about the items recorded under 'Cash Received from Other Activities' if you want.

Example:

	Analysis	Current year	Last year
Sale of other assets	We sold surplus office furniture and proceeds will be used to renovate our community centre	6,800	0

Optional
Note 5: Analysis of Cash Paid For Other Activities

Use this note to provide more details about the items recorded under 'Cash Paid For Other Activities' if you want to.

Example:

	Analysis	Current year	Last year
Purchase of other assets	Gym equipment to support our community fitness programme	25,000	0

Required if applicable
Note 6: Significant Assets

Complete this note if your charity owns important assets, whether purchased or donated. List only the assets significant to your readers.

If your charity has estimated the value of any assets, explain this in the box provided in the template by stating what the estimate is based on (e.g. rateable values for buildings, or an appraisal for a vehicle).

Example:

Description of asset	Current year	Last year
Land and Buildings	0	0
Vehicles	25,000	0
Amounts loaned to other organisations or persons	0	0

The value of our donated van is based on a professional appraisal by "XYZ" car dealership.

Required if applicable

Note 7: Significant Liabilities

Complete this note if your charity has significant debts that need to be paid. Not all debts owed need to be listed, only those that are significant for readers of your report.

Example:

Description of asset	Current year	Last year
Loans and other borrowings (bank loans)	25,000	25,000
Other amounts owed to external parties (owed suppliers for events material)	25,000	0
Money held on behalf of others	0	0

Required if applicable

Note 8: Related Party Transactions

Complete this note to give more details about important transactions with related parties during the financial year. A 'related party' includes anyone (like close family members) or organisations that have a big influence on your charity's decisions.

For each transaction, include:

- a description of the related party relationship
- description of the transaction (e.g. the services provided by a related party)
- the total amount paid to or received from the related party during the financial year
- the balance of any significant amounts owed to or owed by a related party at the end of the financial year (including any loans).

Example:

		Value of transaction		Amount outstanding	
Description of related party relationship	**Description of transaction**	**This year**	**Last year**	**This year**	**Last year**
John Smith is a board member of our charity and owner of a printing company	We contracted John's company to produce promotional materials for our fundraising events	3,500	0	500	0

Required if applicable

Note 9: Correction of Errors

If you found and corrected a significant error in an earlier Performance Report, use this note to explain what the mistake was and how you corrected it.

If this doesn't apply to you, include the following statement to this note: "There were no corrections of prior period errors."

You do not need to resubmit the corrected version of your previous report.

------------------ ***End of the Performance Report*** ----------------------

Audit or review

When your Performance Report is complete, your charity may need to have it reviewed or audited if required by your rules (such as a trust deed, constitution, or charter) or by grant conditions from funders. More information on reviews and audits is available on our website.

Finalising your annual reporting

To finalise your annual reporting with Charities Services you must:

- complete an Annual Return form
- provide your Performance Report
- pay a filing fee (if applicable)

How to submit your documents

You can submit your documents in one of the following ways:

Online
Log in to your charity's account at charities.govt.nz

Email
Send your documents to info@charities.govt.nz

Post
Mail them to:
Charities Services
P.O. Box 12138
Thorndon, Wellington Central 6144

Note: Filing online is quicker and costs less than sending your documents by email or post.

Charities Services
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45 Pipitea Street
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