



How to complete your performance report and your annual return

CHARITIES
SERVICES
Ngā Ratonga Kaupapa Atawhai



New Zealand Government



Te Tari Taiwhenua
Internal Affairs

This resource is intended to help Tier 4 charities complete their performance report and submit their annual return.

As a registered charity you are required to complete your performance report and submit your annual return no later than six months after the end of your financial year. We encourage you to submit your annual return online. Filing your annual return online costs less than filing on paper and it is easier because most of the information is pre-populated.



IMPORTANT: You must complete your performance report before you complete your annual return so that you can answer the questions in the annual return. Once your annual return is complete, you can upload your performance report.

In this resource we have outlined what you will need to complete your performance report, before we move on to how to complete your annual return.

Note that, as some of our website addresses are long, we have used Bitly links in this print resource to make them easier to access.

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How to complete your performance report

Your performance report is a good way to show New Zealanders the mahi (work) that your charity does, as well as maintaining transparency and accountability.

This section identifies what you need to keep track of throughout the year, where to find the information you need to report on, and the different resources available to help you.

The performance report is divided into five parts: Entity Information; Statement of Service Performance; Statement of Receipts and Payments; Statement of Resources and Commitments; and Notes to the Performance Report.

Part 1 Entity Information

This section provides an overview of your charity—your purpose, how you are organised (your governing structure), your main sources of income and the main way your charity raises money.

What records/information should I use?

Look at your rules document, constitution or trust deed for the structure of your charity and your purpose/mission statement. You can find this information on your charity's page on the Charities Services website by logging in using your charity registration (CC) number at www.register.charities.govt.nz/Account/LogOn



Resources

- ▶ You will be asked to report on whether your charity has volunteers working for it. To help you track this information we have created a Microsoft Excel template (www.bit.ly/2XSGQCY) where your charity can record volunteer hours and activities.
 - ▶ For more resources on volunteering, visit Volunteering New Zealand at www.volunteeringnz.org.nz
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Part 2 Statement of Service Performance

This section is where you can tell the story of your charity and report on your non-financial information, including your outputs and outcome(s).

Your outputs are the different activities or services your charity has undertaken over the year. Your outcomes are what you are hoping to achieve through your outputs. Some outputs are easier to track and count than others, but you can also include other things that can't be expressed as numbers, such as specific feedback you have received from your stakeholders.

This section is also an opportunity for you to provide information about the mahi of your charity through words, pictures or graphs.

What records/information should I use?

Your charity should keep detailed records of the different activities you have undertaken throughout the year. Often, this information can be found in meeting minutes or in other reference materials, such as your strategic plan or your attendance records. You should keep a clear record of what you want to achieve and your outputs. The reporting process is a good opportunity to review and reflect on your progress throughout the year.



Resources

- ▶ Check out our blog (www.bit.ly/2XVv1XP) that breaks down the difference between outputs and outcomes.
 - ▶ Check out our webinar (www.bit.ly/2XLAqp8) that gives an in-depth overview of the statement of service performance.
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Part 3 Statement of Receipts and Payments

This section is where you record and categorise your charity's financial information. It shows the money you have received (receipts), where it came from and how you spent it (payments)—your transactions.

You will need to know your bank balance at both the beginning and the end of your financial year as this information must be included in the performance report.

What records/information should I use?

The simplest way to approach this section is to go through your bank statements or your cash book for the year and decide where each transaction fits in relation to the minimum categories (www.bit.ly/2028mJR) of the performance report.

You cannot change the type of information that must be reported within each category. You can, however, split a category into smaller groups or rename it to make it more meaningful for your charity, or to help readers better understand the information.



Resources

- ▶ Check out our automated cash book tool (www.bit.ly/2lusB59) and its accompanying guidance (www.bit.ly/203RzG4). This tool will help you keep track of your transactions through the year and will make preparing the statements in your performance report easier.
- ▶ Check out our webinar (www.bit.ly/30CWK1e) that discusses the minimum categories in the performance report in more detail.
- ▶ Visit our website for more information on using the minimum categories, member and non-member receipts (www.bit.ly/2Sm582a) and more (www.bit.ly/2XYgyuj).

This section is where you record the total amount of all of your bank accounts, any cash you have, as well as all of the things you own (assets) and what is owing to you (liabilities).

What records/information should I use?

If you have completed your statement of receipts and payments, then this section should be straightforward. You will need your bank statements that show the current balance of your accounts. You will also need records of anything significant your charity owns and any loans yet to be paid.



IMPORTANT: If you have received a grant with conditions attached you will need to report this in this section as some grants can only be used for a specific activity, project or purpose. For example, a charity received a grant to build a resource centre. At the end of the financial year the project is 50% complete. The remaining 50% of the grant needs to be recorded in this section.



Resources

- ▶ Check out our webinar (www.bit.ly/202VVgG) which talks about some of the more common conditions related to grants and the things you can do to meet them.
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The notes section of your performance report is designed so you can provide more information about your charity. There are some compulsory notes, so to help you, the Microsoft Excel (www.bit.ly/2YXs4HL) and Word (www.bit.ly/2mfRsK9) templates on our website have been pre-populated with the text you will need. For example, you will need to state whether your charity is registered for GST. The template provides you with the correct statements and you simply choose the one that applies to your charity.

What records/information should I use?

Good notes help with transparency and it is important for your charity to report any related party transactions. A related party transaction is the transfer of money, goods or services between a charity and those who are closely associated with it, or those who can have influence over the charity. Reviewing your receipts and payments is a good place to start. It also helps if your charity keeps an up to date conflicts of interest register that lays out any potential conflicts for officers of your charity.



Resources

- ▶ Check out our blog (www.bit.ly/2Z0srRA) on conflicts of interest and related party transactions.
 - ▶ Visit our website for more information on related party transactions (www.bit.ly/2LsICEb).
 - ▶ We have more information about conflicts of interest and how to manage them on our website (www.bit.ly/2YccT07).
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Supporting performance report resources

In addition, we have a range of more detailed resources on our website that show you how to complete your performance report.

- ▶ **Annual Reporting to Charities Services: A guide for Tier 4 charities** (www.bit.ly/2ltpWbL)
This guide takes you through the steps, in detail, required to report annually to Charities Services.
- ▶ **Tier 4 charities: A tour of the Performance Report** (www.bit.ly/2NZq00e)
This webinar is an in-depth, step-by-step guide to the performance report. It takes you through the different stages and explains each section in more detail.
- ▶ **How to use the Tier 4 Microsoft Excel template** (www.bit.ly/2Z03FB5)
This tutorial will help you to use the Tier 4 performance report template in Microsoft Excel. You can watch the tutorial as a series of short videos or read the written version.
- ▶ **Tier 4 Get Started videos** (www.bit.ly/2krW0N4)
This series of three videos is designed to help registered charities understand how to apply the reporting standards.

How to submit your annual return

This section highlights the questions you will need to answer in the annual return, and the information you will need to answer them.

You will be able to find most of the information you need for your annual return in two places: your charity's page on the Charities Services website and your performance report.



IMPORTANT: You must complete your performance report in order to be able to complete your annual return. Some of the information in your performance report is included in your annual return so make sure you have a copy of it with you.

Completing your annual return

The annual return is asking you for information about three things:

1. Your charity

This includes updating any information that may have changed—including your contact information, your rules, your purpose and structure.

2. Your charity's people

This includes any changes to the officers of your charity, and recording volunteer and paid employee hours. You will need to provide the home address and date of birth of all officers. This information isn't published on the public register.

3. Your charity's finances

From your performance report you will need the statement of receipts and payments (Part 3) and the statement of resources and commitments (Part 4).

You will need to report if your charity provided goods or services overseas, used business income for charitable purposes overseas, or received donations and used funds overseas in the last financial year. Read Inland Revenue's guidance for more information on this topic (www.bit.ly/2V1IsWn).



Resources

- ▶ Check out our short video (www.bit.ly/2UWtaIG) that walks you through submitting your annual return.
 - ▶ This video (www.bit.ly/2UT0YAj) explains more about the purpose of annual returns and the information that will be collected for the Charities Register.
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