

REPORT 6

15 Dec
2009

Charitable Purposes and Tax Compliance Systems Programme

TRAINING DELIVERY REPORT 15 DECEMBER 2009

Author:
Kim Skelton BA/LLB

Reviewer:
Wayne Mulligan MMgt

Prepared by FOMANA CAPITAL LIMITED for Te Puni Kokiri



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Report 6
Section One
Introduction

Charitable Purposes and Tax Compliance Systems Programme

Section One: Introduction



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Section One: Introduction

1.1 Purpose of Report

The purpose of this Training Delivery report is to fulfil the requirements of Output 10 of the Investment Agreement (“Agreement”) dated 1 May 2008 between Te Puni Kōkiri and FOMANA Capital Ltd. Schedule C of that Agreement sets out the reporting requirements for this Report:

Short Term Outcomes	Output 10	Due Date
<ul style="list-style-type: none"> Increased knowledge by Māori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime. Delivery of an effective training package to Māori charitable entities on the policy, processes, requirements and compliance systems of the charities/tax regime. 	Training delivered to beneficiaries of each pilot entity on compliance and audit model.	15 December 2009

1.2 Format

The report is presented in the following format:

Section One: Introduction	Including purpose, format, definitions, acknowledgments
Section Two	Preparation for delivery of Training Workshops
Section Three	Delivery of Training to Māori pilot entities on Charities compliance model
Section Four: Appendices	Training Workshop Resources Charities Commission Update

1.3 Disclaimer

This report presents the delivery process for the training workshops provided to seven of the eight Māori Charitable entities participating in this pilot programme. It is prepared for Te Puni Kōkiri only. It does not purport to provide specific legal advice for any entity on their legal obligations under or relating to the Charities Act 2005, the Income Tax Act 2007 and or any other relevant legislation and or case law. It should not be relied upon by any entity accordingly.

1.4 Limitation

This report is limited to providing Te Puni Kōkiri with a report on the training workshops delivered to the participating pilot Māori charitable entities in the application of the FOMANA Charities Compliance Model. It does not provide further detail on the training toolkit and generic compliance and audit model, which was covered in the previous Report 5 dated August 2009. This report should be seen as one of a series of reports that are being developed over the two year term of the Agreement and should be read in conjunction with those prepared to date.

1.5 Context and Previous Reports

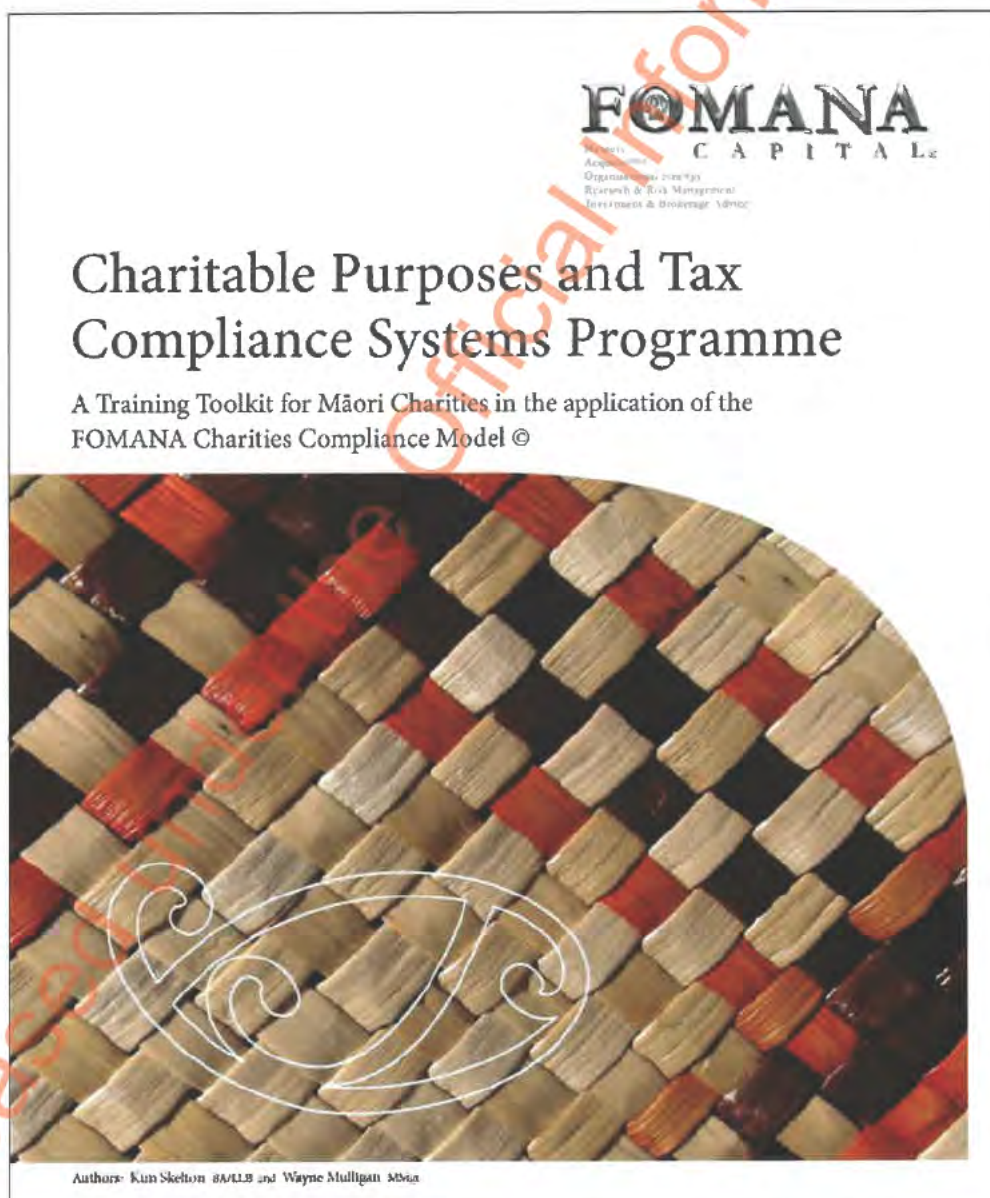
This report is the sixth in a series of reports for the Charitable Purposes and Tax Compliance Systems Pilot Programme. The previous reports are:

Report 1 31 May 2008	Preliminary research on the legal framework affecting Māori Charitable Entities under the Charities Act 2005 and the Income Tax Acts.
Report 2 30 September 2008	Research Report, Charitable Purposes and Tax Compliance Systems Programme.
Report 3 31 March 2009	Risk and Audit Report
Report 4 31 July 2009	Case Studies Report
Report 5 28 August 2009	Training Toolkit for Māori Charities in the application of the FOMANA Charities Compliance Model©

Whereas Report 5 provided the content of the Charities Compliance training, this report provides detail on the preparation and delivery of the training to the Māori pilot entities at five workshops held in October 2009.

To fully appreciate the context of this report, readers are encouraged to obtain a copy of the Training toolkit folder. This is an A4 ring binder folder format containing the training material (Report 5) used at the workshops with Māori pilot entities and section tab 10 containing copies of Reports 1, 2, 3 and full colour copies of the Case Studies (Report 4).

Further copies of the training toolkit are available on request from FOMANA Capital.



1.6 Forward Programme and Outputs

The following table outlines the outputs for the next two and final reports of the pilot programme:

Short Term Outcome	Outputs 11 and 12	Due Date
Delivery of an effective training package to Māori charitable entities on the policy, processes, requirements and compliance systems of the charities/tax regime.	Final training package on charities/tax compliance completed, published and distributed to enable delivery to Māori entities as agreed between the parties.	26 February 2010
	Results of training package delivery formalised into a final report	30 March 2010

1.7 Definitions

The following definitions are used in this Training Delivery Report:

Term	Definition
Board	Includes boards of directors, trustees, or other governance entity
Charities Act	Charities Act 2005
Commission	Charities Commission
Charitable Purpose	as defined in section 5(1) of the Charities Act 2005 includes: “...every charitable purpose, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community.”
Constitution	Governing document setting out the organisation’s purpose and objects and the rules for how it will operate, including matters such as the powers and duties of its officers.
Governance	Governance is about the direction and control of an organisation. Governance is about leadership and making decisions in the interests of the shareholders or beneficiaries. Governance requires strategic thinking skills to give shape to the future of the organisation. ¹

¹ Te Puni Kokiri Good Governance Guide, Chapter 2

Term	Definition
Governors	Includes company directors, trustees, members of the charity's governing body who are referred to as "Officers" on Charities Register. Governors focus on the big picture, not the fine detail or day-to-day matters. They give direction to management.
IRD	Inland Revenue Department
Māori charitable entities	Legal entities that are registered or eligible for registration with the Charities Commission and which are majority owned by Māori or whose members or beneficiaries, the majority of which are of Māori descent.
Policy	A deliberate plan of action to guide decisions and achieve a rational outcome(s).
Procedure	A series of prescribed steps followed in a definite regular order which ensure adherence to the guidelines set forth in the Policy to which the Procedure applies.
Risk	The chance of something occurring that will, should the event occur, have an impact on the achievement of organisational objectives. It is measured in terms of the likelihood of something happening and the consequences if it happens.
Reputation Risk	The risk of damage to the organisation's credibility and reputation.
Compliance Risk	The risk of failing to meet government laws, regulations and standards.
Risk Management	A systematic and logical process of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise opportunities.
Stakeholders	Those individuals, groups, institutions etc (either internal or external to the organisation) who are or perceive themselves to be affected by a decision or activity.

1.8 Acknowledgements

FOMANA would like to acknowledge the ongoing support provided by Te Puni Kōkiri for the Charitable Purposes and Tax Compliance Systems Pilot Programme. In particular, we thank Alison Thom and Jeanette Harris for their professionalism in managing the contract and for the opportunity to present an overview of the pilot programme and copies of the Training Toolkit to the Te Puni Kōkiri Regional Directors on 18 November 2009.

We extend our warm thanks to members of the Māori Entity team and key contacts in each of the eight Māori Charitable entities. Your dedication and commitment to organising the workshop venues, the kai, and for taking responsibility to bring together a wide range of participants for the training workshops is sincerely appreciated.

Finally, we acknowledge all those individuals who took time out from their busy lives to attend the training workshops and to participate with open minds and a willingness to share their own experiences. We were gratified to have a wide cross section of governors, staff, and beneficiaries/members in attendance at most of the workshops. This mix enabled rich conversation, the sharing of knowledge around compliance issues in a Māori context, and deeper learnings for all, including for the trainers.

No reira, tenei te mihi nui ki a koutou katoa.

1.9 Eight pilot Māori charities and key contacts for training workshops

Māori charitable entity	Māori Entity Team members and Key contacts
1. Ngati Rarua Atiawa Trust	John Charleton, Selina Tait
2. Taranaki Iwi Trust	Tokatumoana Walden, Kerry Walsh
3. Taranaki PHO Ltd	Pauline Cruickshank, Sharyn Tamarapa
4. Te Aroha Medcare Ltd	Hayden Wano, Sharyn Tamarapa
5. Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust	Morrie Love, Peter Reweti, Myra Hunter
6. Te Kaahui o Rauru	Darryn Ratana, Pania Winterburn
7. Te Rau Pani Māori Mental Health Trust	Hinemoerangi Ngatai Tangirua, Terry Huntley
8. Tui Ora Ltd	Hayden Wano, Sharyn Tamarapa

Section Two
Training
Preparation

Charitable Purposes and Tax Compliance Systems Programme

Section Two:

Preparation for delivery of
training workshops



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Section Two Preparation for delivery of Training Workshops

2.1 Methodology and steps taken to schedule and prepare for workshops

Preparation for the workshops took many hours, phone calls and email communications over a period of some 4 – 6 weeks from September to mid October 2009. The preparation process is summarised in ten steps and, where relevant, comments are made on variance in planning to actual delivery.

1. Inform eight Māori charities of Training Objectives
2. Confirm dates and venues for workshops for the eight Māori charities
3. Co-ordinate trainers and travel logistics
4. Confirm catering, venue equipment and training materials
5. Order printing of sufficient copies of Training toolkit folders
6. Draft Panui and distribute invitation
7. Prepare Workshop Programme and Trainers' Profiles
8. Prepare Training Evaluation Form
9. Prepare Powerpoint presentation slides
10. Source and print Constitution documents

2.1.1 Step 1: Inform eight Māori charities of Training Objectives

Key contacts in each organisation were sent the following information about the training:

a) Purpose of training

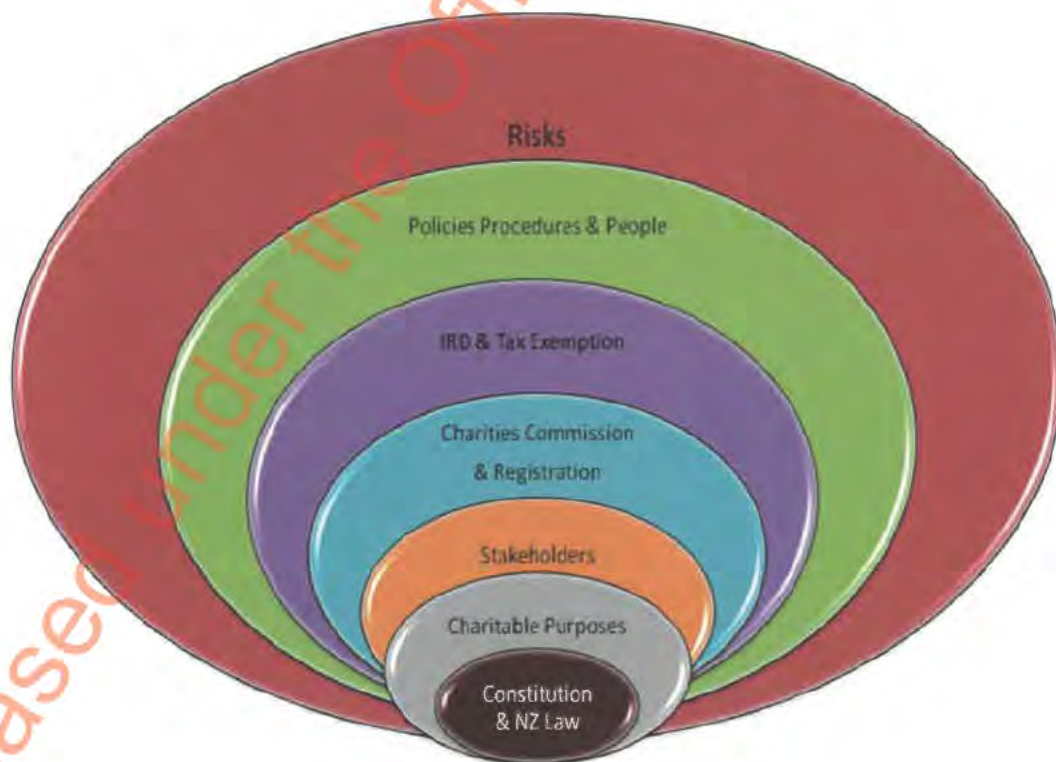
To provide participants from the eight Māori charitable entities with training in the application of the FOMANA Capital Charities Compliance Model©. The Model comprises seven interlinked elements and has been especially designed to assist Māori charitable organisations:

- to understand their charitable purpose and general legal obligations;
- to assess their organisational risks in relation to these obligations; and
- to put in place management systems to ensure compliance with their Constitution and legal obligations.

b) Training Outcomes

Participants will increase their knowledge and understanding of the seven elements of the Model, in particular:

- | | |
|--|---|
| 1. Constitution and NZ Law: | core charitable purposes in their own Constitution and their general legal obligations; |
| 2. Charitable Purposes: | “charitable purposes” and the four heads of charity; |
| 3. Stakeholders: | accountability duties to their stakeholders; |
| 4. Charities Commission and Registration: | legal obligations under Charities Act to maintain registration; |
| 5. IRD and Tax Exemption: | taxation obligations to maintain income tax exemption; |
| 6. Policies-Processes-People: | policies, procedures and people needed to maintain charitable purposes compliance; |
| 7. Risks: | key risks and consequences and risk mitigation strategies. |



c) Training Methodology;

FOMANA will deliver the Training by way of an interactive workshop and each participant will be given a copy of this Training Toolkit for their personal reference and use in the workshop. Trainers will use various presentation methods and tailor the workshop to meet the needs of the participants with emphasis on the particular needs of their Māori charitable entity.

d) Who should attend the Training Workshops

To maximise participation, FOMANA anticipates a group of 10 – 12 at each workshop comprising a mix of:

- at least 3 members of the Governance team;
- 1 - 3 Managers or staff with charitable purpose compliance responsibilities;
- at least 3 members of the affiliated Marae (for the iwi organisations);
- individuals from the organisation’s beneficiaries and/or stakeholder group;
- members of the Māori Entity team

e) Trainers’ information

The training will be delivered by Kim Skelton and either Rangimahora Reddy or Wayne Mulligan. The trainers are Māori professionals with business, governance, management, legal and accounting qualifications. All three trainers have many years experience working in, and for, Māori businesses and Māori charitable entities. In addition, the trainers have personal involvement in the pilot programme as researchers, report writers and as developers of the FOMANA Capital Charities Compliance Model.

f) Delivery of training

Training will be delivered at the organisation’s office or venue of choice as a half day interactive workshop (morning 9am – 1pm or afternoon 1pm – 5pm) followed by shared kai if desired.

The actual timings for each workshop varied from group to group and are detailed in Step 2 below.

2.1.2 Step 2: Confirm dates for workshops for the eight Māori charities

Six workshops were confirmed to take place during the month of October. In the case of Tui Ora/Te Aroha Medcare/Hauora Taranaki PHO, it was agreed that a combined workshop would be expedient given the shared governance members and a need to set a date to suit the majority.

The final schedule was confirmed early October and circulated to all eight pilot entities as follows:

Māori charitable entity	Workshop Date, Time, Venue	Workshop Trainers
Te Kaahui o Rauru	Tuesday, 20 October 2009 12 – 5pm Te Kaahui o Rauru office 108 Victoria Ave, Whanganui	Kim Skelton Wayne Mulligan
Te Rau Pani Māori Mental Health Trust	Thursday, 15 October 2009 8:30am – 12.30pm Te Rau Pani office, 36 Maratahu St, New Plymouth	Kim Skelton Wayne Mulligan
Tui Ora Ltd	Combined Workshop for 3 entities: Thursday, 15 October 2009 tbc 3.00 – 6.30pm Tui Ora Boardroom 36 Maratahu St, New Plymouth	Kim Skelton Rangimahora Reddy
Hauora Taranaki PHO		
Te Aroha Medcare Ltd		
Taranaki Iwi Trust	Saturday, 17 October 2009 11am – 3pm Taranaki Iwi Marae or venue tbc	Kim Skelton Rangimahora Reddy
Ngati Rarua Atiawa Iwi Trust Board	Tuesday, 28 October 2009 Rescheduled (27 Nov) & (14 Dec) 9am – 1.00pm Wakatu House Montgomery Square, Nelson	Kim Skelton Wayne Mulligan
Te Atiawa Ki Te Upoko o Te Ika A Maui Potiki Trust	Friday, 30 October 2009 9am – 1.00pm Te Tatau o Te Po Marae 467 Hutt Road, Petone	Kim Skelton Rangimahora Reddy

2.1.3 Step 3: Co-ordinate trainers' travel and accommodation logistics

Once the schedule was confirmed it was possible to book flights, rental car transport and accommodation. Cost savings were made by scheduling three workshops in Taranaki over a 3-day period and by co-ordinating trainers' travel so that no accommodation was needed for the Whanganui (Te Kaahui o Rauru), Nelson (NRAIT) or Wellington (Te Atiawa) workshops. The Nelson workshop date and travel arrangements were changed twice (from 20 October to 27 November and then to 14 December) due to Manager and Trustee unavailability. This workshop has now been postponed until early February 2010 subject to their availability.

2.1.4 Step 4: Confirm catering, venue equipment and training materials

The venue, catering and equipment logistics for each workshop were agreed with the key contacts. Arrangements included:

Venue:	Book Marae or office of the Māori entity;
Kai:	Lunch or kai held before or after workshop and supplied at venue
Equipment:	Data projector, screen, tables and chairs supplied at venue;
Training Toolkits:	Toolkit Folders couriered or delivered to venue by FOMANA;
Training Material:	Stationery, Workshop programme, Evaluation forms, Case studies, copies of Constitution documents and other resources supplied by FOMANA;

A few days prior to the workshop, follow up calls were made to confirm these arrangements, to clarify any issues, and to ensure a seamless operation on the day of the workshop. Apart from two workshops where there was no data projector equipment available, the logistics for the venue, catering and equipment proceeded according to plan.

2.1.5 Step 5: Order printing of sufficient copies of Training toolkit folders

FOMANA ordered 150 training toolkit folders to be printed by Taitoko Design and Print allowing at least 15 toolkits for each of the eight Māori entities (120), 15 toolkits for Te Puni Kōkiri (Investment Manager copies and Regional Director copies) and the remainder for FOMANA.

2.1.6 Step 6: Draft Panui and distribute invitation for each workshop

A template invitation was provided to each of the eight Māori charities for distribution to key participants within their organisation. In general, the key contact for each entity took responsibility for issuing invitations and for ensuring a broad mix of participants from across the organisation. For the Te Atiawa workshop in Wellington, FOMANA agreed to circulate the panui for the Trust Manager who was overseas at the time. See **Appendix 1** for sample panui/invitation.

2.1.7 Step 7: Prepare Workshop Programme and Trainers' Profiles

A tailored Workshop Programme was prepared and printed for each workshop giving details of the Agenda, the topics for discussion and on page 2, the profiles of each of the three Trainers. See **Appendix 2** for sample.

The agenda and timing varied significantly to what was planned in the programme, mainly due to the type and number of questions and discussion points raised by participants and the flexible approach taken by the trainers. Different groups spent more time on different subjects so some flexibility in programming is necessary. Overall, it became obvious that all groups required a longer workshop to adequately cover the seven elements of the charities compliance model and how it relates to their specific circumstances. A full one-day workshop is therefore recommended for any future delivery of this training programme.

2.1.8 Step 8: Prepare Training Evaluation Form

A concise two page evaluation form was drafted and printed for distribution at the end of each workshop. Participants were asked:

- (1) to evaluate the organisation and facilitation of the workshop;
- (2) to evaluate the content of the workshop against the training objectives; and
- (3) whether they recommend the training to other charities and if yes, how to promote it.



See **Appendix 3** for sample of Training Evaluation form.

2.1.9 Step 9: Prepare Powerpoint presentation slides

The powerpoint presentation comprises 42 slides and includes key parts and essential messages taken directly from the Training Toolkit and covered under the following main headings:

- Mihi and Acknowledgements
- Background to Pilot programme
- Training Objectives
- FOMANA Charities Compliance Model© (7 elements)
- Training Toolkit (Design and Contents)
- Section 3: Constitution and NZ Law (Knowledge & Workshop Session)
- Section 4: Charitable Purposes (Knowledge & Workshop Session)
- Section 5: Stakeholders (Knowledge & Workshop Session)
- Section 6: Charities Commission and Registration (Knowledge & Workshop Session)
- Section 7: IRD and Tax Exemption (Knowledge & Workshop Session)
- Section 8: Policies - Processes – People Risks (Knowledge & Workshop Session)
- Section 9: Risks (Knowledge & Workshop Session)
- Feedback and Evaluation
- Conclusion and Mihi

For example:

 <p>Charitable Purposes and Tax Compliance Systems Programme Training in the application of the FOMANA Charities Compliance Model ©</p> <p>FOMANA CAPITAL</p> <p>Charities Compliance Training Workshop for Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust and affiliated Marae</p> <p>Te Tatau o te Po Marae, Petone, 30 October 2009</p> <p>Presenters: Kim Skelton and Rangimahora Reddy</p> <p>knowledge</p>	 <p>Background to Pilot programme</p> <p>Phase 1: Research in Charities & Tax Compliance</p> <p>Phase 2: Risk Profiling & Systems Applications</p> <p>Phase 3: Training & Systems Application for a Maori Charitable Institution</p> <p>FOMANA Reports</p> <p>Phase 1: 1. Preliminary Research, 31 May 2008 2. Research Report, 30 Sept 2008</p> <p>Phase 2: 3. Risk & Audit Report, 31 March 2009 4. Case Studies Report, 31 July 2009</p> <p>Phase 3: 5. Training Toolkit, September 2009</p> <p>Training in the application of the FOMANA Charities Compliance Model © Training Workshop for Te Atiawa ki te Upoko o te Ika Trust & Marae, 30 October 2009</p> <p>FOMANA CAPITAL</p>
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See **Appendix 4** for complete Training Workshop powerpoint presentation.

The presentation slides were used successfully in three of the five workshops. In the other two workshops there was no data technology available at the venue so the training was delivered using the toolkit exclusively. Both methods are proven for delivery of the content and either method could be used in future according to the preference of the trainers and participants.

2.1.10 Step10: Source and print Constitution documents

The rules (e.g. Constitution, Trust Deed, Marae charter) for each Māori charity and affiliated marae were copied and provided for participant use during the workshop. These were invaluable as a training tool and were referred to many times during the workshop sessions, in particular, for the topic of Constitution and NZ law.

Workshop participants appreciated the opportunity to discuss their own rules and the particular parts relating to charitable purposes and to compare their constitution with the rules of other charities. It was observed that many participants were not fully familiar with the detail of their own rules, highlighting the need for training in this area.

Participants were informed that the rules for every registered charity are available to the public via the Charities Commission website – www.charities.govt.nz . See **Appendix 5** for the Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust listing for on the Charities Commission online register.

This knowledge was particularly welcomed by some marae trustees who were considering an application for registration with the Charities Commission and enabled them to take a look at what other marae had included in their constitution and rules, particularly with regard to tikanga Māori.

Section
Three
Delivery of
Training

Charitable Purposes and Tax Compliance Systems Programme

Section Three:

Delivery of Training
to Maori pilot entities
on Charities compliance model



Section Three: Delivery of Training to Māori pilot entities on Charities compliance model

This section reports on each of the five workshops under the following headings:

1. Practical aspects of location, venue, catering and equipment;
2. Timing and structure of training programme;
3. Attendance numbers and participant mix
4. Key questions or issues raised by participants at the training workshops; and
5. Summary of the participant evaluation forms in terms of content & Training objectives.

3.1 Workshop 1: Te Rau Pani Māori Mental Health Trust

Te Rau Pani Māori Mental Health Trust Workshop held 15 October 2009



Photograph of workshop participants:

Sitting left to right:

Pue Whakaruru, Kaumatua
Carlo Hamahona, Clinical Co-ordinator
Moira Irving, Chairperson of Board of Trustees
Terry Huntley, Office Manager and Board Secretary
Will Edwards, Board Member

Standing left to right:

Peter Moeahu, Trustee
Hinemoerangi Ngatai Tangirua, General Manager
Wayne Mulligan, Trainer
Kim Skelton, Trainer

Workshop Date, Time,	Venue	Workshop Trainers
Thursday, 15 October 2009 8:30am – 12.30pm	Te Rau Pani office, 36 Maratahu St, New Plymouth	Kim Skelton Wayne Mulligan
1. Practical aspects of location, venue, catering and equipment	The meeting room was just large enough to accommodate the 7 participants, the 2 trainers and all the training materials. Te Rau Pani staff organised the morning tea and lunch and data projector was borrowed from the adjacent health organisation.	
2. Timing and structure of training programme	Timing did not go strictly to the planned agenda with a lot of time spent on sections 1 – 3 but all sections covered if a bit hurried at the end. Being onsite meant that some participants were caught up with ongoing work issues and missed parts of the workshop and one participant was late due to air travel delays. Participant comment for improvement: <i>Perhaps too much material to process in the timeframe but I accept this may be refined during the pilot project</i>	
3. Attendance numbers and participant mix	7 participants attended the workshop <ul style="list-style-type: none"> • 3 Governance Trustees including Chairperson • 3 Managers inc General Manager & Clinical co-ordinator • 1 Kaumatua 	
4. Key questions or issues raised by participants at the training workshops	Participant comment for improvement <i>Training experience of trainers and manual has equipped TRP for the work ahead – exciting times!</i> Trainer observation Participants at this workshop readily adopted the Action booklet to record actions for their organisation and were particularly interested in the Keeping it Legal workshop exercise for Section 3: Constitution. Further information has been provided to the organisation as a follow up.	
5. Summary of participant evaluation forms in terms of Training objectives (6 forms completed)	All rated training objectives and content as “Exceeded expectations” All increased their knowledge of charities compliance All would recommend the training to other charities Participant comment for changes to programme <i>Just keep on. I like the two way flow, humour, knowledge – Excellent!</i>	

3.2 Workshop 2: Tui Ora, Te Aroha Medcare, Hauora Taranaki PHO

Workshop Date, Time,	Venue	Workshop Trainers
Thursday, 15 October 2009 3.00 – 6.30pm	Tui Ora Boardroom 36 Maratahu St, New Plymouth	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The Tui Ora boardroom is an excellent venue and located centrally with lots of parking for visitors. The large room is also fully equipped with data projector, screen and wide tables that made for a comfortable workshop. Tui Ora staff members were extremely helpful in organising the data equipment, catering and expended a lot of effort to ensure a good turnout from both internal and external stakeholders. Although governance members were few, many of those who did attend are also marae trustees and officers for other Māori charitable entities.	
2. Timing and structure of training programme	The powerpoint presentation was used to good effect in this workshop with the help of the large wall screen. The programme agenda was often sidetracked by this highly engaged group of participants who asked many questions. Again, more time for workshop would give participants greater chance to delve deeper into material and increase knowledge.	
3. Attendance numbers and participant mix	9 participants attended the workshop <ul style="list-style-type: none"> • 5 Managers inc Tui Ora CEO and Hauora Gen Manager • 2 Staff members • 2 Stakeholders (also Trustees in other Māori charities) 	
4. Key questions or issues raised by participants at the training workshops	Considerable time spent on the Duties of Trustees & Directors Private pecuniary profit was discussed in terms of what payments / bonuses are reasonable Question on FBT (fringe benefit tax) referred to IRD	
5. Summary of the participant evaluation forms in terms of Training objectives (8 forms completed)	All ratings at “Exceeded” or “Met most expectations” More time needed on sections for Charities Commission & IRD All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <ul style="list-style-type: none"> • <i>Presentation relaxed & professional, able to participate</i> • <i>Great to receive the valuable pack</i> • <i>I believe this resource and the presentation of it would be invaluable to Māori entity and community NGOs from Runanga to hapu/whanau level. Best promotion – ki waha, kumara vine, get other participants to share its value with other networks</i> • <i>Word of mouth, forward profiles to Trustee members, present to hui, hapu, iwi Trusts.</i> 	

3.3 Workshop 3: Taranaki Iwi Trust



Orimupiko Marae, Opunake, South Taranaki

Workshop Date, Time,	Venue	Workshop Trainers
Saturday, 17 October 2009 11.00am – 3.00pm	Orimupiko Marae Eltham Road, Opunake	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The venue is quite isolated and was notified at a late stage which may have contributed to relatively low turnout. However, the dining room was spacious and catering superb.	
2. Timing and structure of training programme	Workshop timing was very fluid and delivery of programme content was tailored to respond immediately to the questions asked and to meet the participants' needs. More time needed overall and definitely if future workshops held on a marae to ensure proper observance of kawa and tikanga.	
3. Attendance numbers and participant mix	6 participants <ul style="list-style-type: none"> • 2 Trustees of Taranaki Iwi Trust • 1 Marae rep for Orimupiko marae • 1 Taranaki Iwi Trust Manager • 2 members/beneficiaries of Taranaki Iwi 	
4. Key questions or issues raised by participants at the training workshops	A lot of time spent on rules for marae and type of activities that are within "charitable purposes" under Charities Act. Many questions on process and rules for registering a marae. Filing of financial accounts raised issue for training in this area.	
5. Summary of the participant evaluation forms in terms of Training objectives (5 forms completed)	All ratings at "Exceeded" or "Met most expectations" All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <i>Very informative – great facilitators – wish more came</i> <i>Computer – radio – newspaper – Māori TV to name just a few</i>	

3.4 Workshop 4: Te Kaahui o Rauru

Workshop Date, Time,	Venue	Workshop Trainers
Tuesday, 20 October 2009 1.00 – 5.00pm	Te Kaahui o Rauru office 108 Victoria Ave, Whanganui	Kim Skelton Wayne Mulligan
1. Practical aspects of location, venue, catering and equipment	The iwi office meeting room was used for this workshop which was adequate for the small numbers in attendance. The trainers were very appreciative of the mini whakatau extended by Ngaa Rauru and for arranging lunch before the workshop. The powerpoint presentation was used for delivery of training and staff had kindly copied the latest version of the Constitution for all participants.	
2. Timing and structure of training programme	This workshop kept fairly well to time and the content delivered according to the programme with some pauses for questions.	
3. Attendance numbers and participant mix	<p>4 participants</p> <ul style="list-style-type: none"> • 2 Marae representatives on Te Kaahui o Rauru • 1 Manager/Staff member • 1 member of Ngaa Rauru Kiitahi Iwi <p>Small numbers were disappointing but did enable high levels of participation in a more relaxed and conversational setting.</p>	
4. Key questions or issues raised by participants at the training workshops	<p>Many questions related to marae governance and maintaining compliance with marae charter /constitution (duties of trustees) General discussion on how constitution could be amended Marae trustees identified need for ongoing assistance with compliance obligations, annual finance statements, CC returns Questions on payroll giving and donee status – referred to IRD</p>	
5. Summary of the participant evaluation forms in terms of Training objectives (4 forms completed)	<p>All ratings at “Exceeded expectations” All increased their knowledge of charities compliance All would recommend the training to other charities</p> <p>Participant comments on programme & how to promote</p> <ul style="list-style-type: none"> • <i>Happy with presentation, made me aware that maybe we’re not fully aware of implications required for various objectives</i> • <i>Kia ora korua i tou Akonga i puaki kia matou te whanau o Rauru Kii Tahī</i> • <i>Word of mouth usually works within our groups! Great training would be beneficial to all of our paepae reps and marae. Thanks!</i> 	

Te Kaahui o Rauru Workshop held 20 October 2009



3.5 Workshop 5: Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust

Workshop Date, Time,	Venue	Workshop Trainers
Friday, 30 October 2009 9.00am – 1.00pm	Te Tatau o Te Po Marae 467 Hutt Road, Petone	Kim Skelton Rangimahora Reddy
1. Practical aspects of location, venue, catering and equipment	The marae venue was ideally located and provided plenty of space and table room for the number of attendees. The Marae secretary did a great job organising the venue and catering the morning tea and lunch. Due to unavailability of the marae data projector, the training was delivered using the toolkit and other training materials including constitutions for 3 affiliated marae.	
2. Timing and structure of training programme	The agenda was not strictly followed for this workshop and the programme was often sidetracked by questions and lengthy discussions from the very talkative and highly participative group. While the trainers take responsibility for poor timekeeping and lack of coverage of some sections, the discussions contributed positively to the knowledge sharing and cross fertilisation of ideas around governance and compliance for Māori charities. Need to allocate a whole day for workshop.	
3. Attendance numbers and participant mix	10 participants <ul style="list-style-type: none"> • 3 Trustees of Te Atiawa ki te Upoko Trust • 3 Trustees of affiliated marae • 3 iwi members of Taranaki Whanui ki te Upoko o te Ika • 1 stakeholder & Director of FOMANA Capital Ltd 	
4. Key questions or issues raised by participants at the training workshops	CC registration process required Te Atiawa Trust to provide policy on distribution – was this unique or applicable to others? Long discussion on ideal legal structure for Māori organisations and whether charitable status is ideal for all groups Is there an upper limit to the income level to be a reg'd charity? Discussion on liability for trustees and governors of charities	
5. Summary of the participant evaluation forms in terms of Training objectives (5 forms completed)	Range of ratings from “Exceeded” to “Met some expectations” All increased their knowledge of charities compliance All would recommend the training to other charities Participant comments on programme & how to promote <ul style="list-style-type: none"> • <i>Having a little more time to deal with issues from floor</i> • <i>Limited time on some sections</i> • <i>Maybe make it a whole day as the information along with the general korero is all important and it is a shame to have to cut things short</i> • <i>Promote via Runanga who have access to most Māori organisations in Hutt Valley and Wainui</i> 	



Te Tatau o Te Po Marae, Petone, Wellington

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Section Four
Appendices

Charitable Purposes and Tax Compliance Systems Programme

Section Four: Appendices



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Appendices

- 4.1 Training Workshop Panui and Invitation
- 4.2 Workshop Programme & Trainers' Profiles
- 4.3 Training Evaluation Form
- 4.4 Training Workshop Powerpoint Presentation
- 4.5 Charities Commission online register – listing for Taranaki Iwi Trust as at 14 Dec 2009
- 4.6 Charities Commission Registration Update as at 14 December 2009

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4.1 Training Workshop Panui and Invitation

Charitable Purposes and
Tax Compliance Systems Pilot Programme
Training Phase for Pilot Māori Charities

Training Workshop

for
Taranaki Iwi Trust and affiliated Marae

Training in the application of the
FOMANA Charities Compliance Model©

“Retain your tax exemption”



TIME: 9am - 1pm followed by shared kai

DATE: Saturday, 17 October 2009

VENUE: Orimupiko Marae, Eltham Rd, Opunake

WORKSHOP FACILITATORS: Kim Skelton and Rangimahora Reddy

PROGRAMME:

- ❖ Mihi Whakatau
- ❖ Pilot Programme Overview and Training Objectives
- ❖ Introduction to FOMANA Charities Compliance Model
- ❖ Workshop on 7 elements of Model (knowledge, discussion, actions)
- ❖ Feedback and Evaluation
- ❖ Closing followed by kai and refreshments

RSVP: Kerry Walsh, admin@taranakiiwi.org.nz 06-763-8550

Please advise your attendance for catering purposes, Kia ora.

COST: There is no cost to attend this workshop but numbers limited.

4.2 Workshop Programme & Trainers' Profiles

Te Rau Pani Māori Mental Health Trust

Workshop Programme

8:30am – 12.30pm Thursday, 15 October 2009

Trainers: Kim Skelton and Wayne Mulligan

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"Retain your tax exemption"



TIME:	Programme
8:30	Mihi Whakatau and personal introductions
8:45	Pilot programme overview Training Objectives and Participant Expectations
9:00	Introduction to FOMANA Charities Compliance Model© Your Training Toolkit – maximising its value
9:15	Section 3: Constitution and NZ Law <i>(Knowledge – Korero – Ka mahi)</i>
9:45	Section 4: Charitable Purposes <i>(Knowledge – Korero – Ka mahi)</i>
10:00	Section 5: Stakeholders <i>(Knowledge – Korero – Ka mahi)</i>
10:15	Section 6: Charities Commission <i>(Knowledge – Korero – Ka mahi)</i>
10:30	Section 7: IRD and Tax Exemption <i>(Knowledge – Korero – Ka mahi)</i>
10:45 – 11:00	Break
11:00	Section 8: Policies – Processes – People <i>(Knowledge – Korero – Ka mahi)</i>
11:30	Section 9: Risks <i>(Knowledge – Korero – Ka mahi)</i>
12:00	Feedback and Evaluation
12:30	Karakia Whakamutunga, Kai and refreshments

Trainers' Profiles

The trainers are Māori professionals with business, governance, management, legal and accounting qualifications. All three trainers have many years experience working in, and for, Māori businesses and Māori charitable entities.



Kim Skelton

BA/LLB Auckland University

Kim affiliates to Te Atiawa, Taranaki Whanui ki te Upoko o te Ika and Ngati Raukawa ki te Tonga (Tukorehe).

Kim is Project Manager at FOMANA Capital and applies her policy, management and organisational development skills to lifting organisation standards by harnessing Māori talent to benefit Māori businesses and communities. Kim has been leading the Charities pilot programme and is keen to see widespread knowledge transfer and adoption of the compliance model by Māori and other charities. Kim practices governance accountability in her role as a Trustee for Te Atiawa (Taranaki) Settlements Trust and for Te Kura o Otari in Wellington.



Rangimahora Reddy

MBS, Postgraduate Dip Acc (Taxation), BBS (Major in Accounting Studies), Massey University.

Manager, Tui Ora Limited.

Rangi affiliates to Ngati Raukawa, Ngati Maniapoto and Ngati Rangiwewehi iwi. She has managed the finance section of Tui Ora Ltd since March 2002 and prior to that has worked for the International Pacific College, Massey University and the Ministry of Education.



Wayne Mulligan

CEO of FOMANA Capital Limited. Wayne holds a number of directorships and trusteeships and has over twenty years experience in executive planning, senior management, public relations and business negotiation.

Wayne holds a Master of Management (University of Auckland) and has trained in strategy, finance, systems thinking, analysis, policy, governance and communication. In 2007 Wayne received the University of Auckland Business School's Dame Mira Szazy Alumni Award (Business services to Māori). In 2008, FOMANA Capital received the University of Auckland Business School's Dame Mira Szazy Strategic Business Award.

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4.3 Training Evaluation Form

Training Evaluation Form

Tenei te mihi atu ki a koe. Thank you for participating in this training workshop for Māori charities. Please take the time to complete this form as your feedback will help us to improve future training.

Name: _____ **Role in Organisation:** _____

Governance Manager/Staff Client/Beneficiary Marae Rep Stakeholder Other _____

Organisation and Facilitation of Workshop

Please tick box to indicate rating:

The training material I received at the workshop:

The location and venue chosen for the workshop:

The structure and timing of the workshop:

The trainers' ability to deliver training objectives:

Exceeded Expectations	Met most Expectations	Met some Expectations	Did not meet Expectations

Comments: *Please indicate where improvements could be made:*

--

Training Objectives and Content of Workshop

Please tick box to indicate rating:

8. Constitution and NZ Law:

Knowledge & Information received on this topic:

9. Charitable Purposes:

Knowledge & Information received on this topic:

10. Stakeholders:

Knowledge & Information received on this topic:

11. Charities Commission and Registration:

Knowledge & Information received on this topic:

12. IRD and Tax Exemption:

Knowledge & Information received on this topic:

13. Policies-Processes-People:

Knowledge & Information received on this topic:

14. Risks:

Knowledge & Information received at workshop

Exceeded Expectations	Met most Expectations	Met some Expectations	Did not meet Expectations

I have increased my knowledge and understanding of our compliance obligations: **Yes** **No**

I would recommend this training to other charities? **Yes** **No**

If yes, what changes (if any) would you like to see in the programme?

General Comments:

How could this workshop be promoted to communities and charitable organisations?

--

4.4 Training Workshop Powerpoint Presentation

Charitable Purposes and Tax Compliance
Systems Programme
Training in the application of the FOMANA Charities
Compliance Model ©

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Members:
Accountants
Organisational Strategy
Revenue & Risk Management
Investment & Brokerage Advice

Charities Compliance Training Workshop for Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust and affiliated Marae

Te Tatau o te Po Marae, Petone, 30 October 2009

Presenters: Kim Skelton and Rangimahora Reddy



Mihi

*Ki nga Kaumatua, nga Kuia
nga Kaitiaki, nga Rangatira,
Ki nga hapu, nga marae o Te Atiawa – Taranaki Whanui
Tena ra koutou katoa.*

We hope your organisation will benefit from today's training and
that the knowledge gained will be applied to sustain your charity in future.

Acknowledgement: Te Puni Kokiri, IRD, Charities Commission,
and to the other seven Maori entities in the pilot programme.

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Members:
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Organisational Strategy
Revenue & Risk Management
Investment & Brokerage Advice

Workshop Programme

Karakia

Kai

Mihi Whakatau

1. Pilot programme overview and Training Objectives
2. FOMANA Charities Compliance Model©
3. Constitution and NZ Law
4. Charitable Purposes

Break

5. Stakeholders
6. Charities Commission
7. IRD and Tax Exemption
8. Policies – Processes – People
9. Risks

Feedback and Evaluation

Karakia whakamutunga

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Background to Pilot programme

Phase 1:

Research on Charities
& Tax Compliance



Phase 2:

Risk Profiling
& Systems Applications



Phase 3:

Training & Systems Adoption
(for 8 Māori charitable entities)

FOMANA Reports

Phase 1:

1. Preliminary Research, 31 May 2008
2. Research Report, 30 Sept 2008

Phase 2:

3. Risk & Audit Report, 31 March 2009
4. Case Studies Report, 31 July 2009

Phase 3:

5. Training Toolkit, September 2009

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Training Objectives

Participants will increase their knowledge and understanding of:

1. core charitable purposes in their own Constitution and their general legal obligations;
2. What are “charitable purposes” and the four heads of charity;
3. accountability duties to their stakeholders;
4. legal obligations under Charities Act to maintain registration;
5. taxation obligations to maintain income tax exemption;
6. policies, procedures and people needed to maintain charitable purposes compliance;
7. key risks and consequences and risk mitigation strategies.

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Expectations of Participants

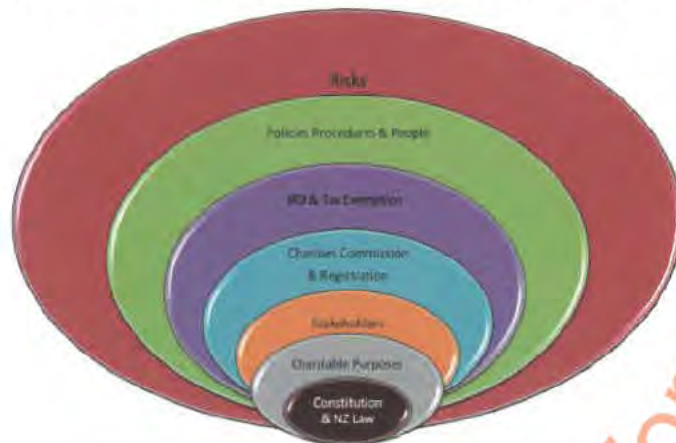
We will endeavour to tailor the workshop to meet the needs of your charity.

- What are your expectations?
- What did you think you would gain from attending?
- Do you have any questions at the outset?

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7 elements - total compliance program

1. Constitution and NZ Law
2. Charitable Purposes
3. Stakeholders
4. Charities Commission and Registration
5. IRD and Tax Exemption
6. Policies – Processes - People
7. Risks

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Training Toolkit – Design

Piri Hira Tukapua of Taitoko Design & Print Ltd

Her original koru design is inspired by the whakatauki:
E hara taku toa i te toa takitahi, engari he toa takitini.
My strength derives from many, not just one.



Korero whakamarama:

“the oval part is the group/organisation, nurturing and growing together.
The koru that reaches out represents charity/open-handed.”

The kete is a taonga given to Kim Skelton by her Nana Lulu.

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Training Toolkit – Contents

- Section 1 and 2: Introduction and Overview of Model
- Section 3 – 9: 7 Elements of the Compliance Model
 - Part One: Knowledge & Information
 - Part Two: Workshop Session & Questions
 - Part Three: Action Plan for your organisation
- Section 10: FOMANA Reports 1 – 4 and CC references
- Action Plan Booklet: Personal plan of action for 7 elements

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Section 3: Constitution and NZ Law

KNOW YOUR RULES

Rule 2 (NZ Trustees Association Code of Conduct)

An appointed Trustee must uphold the lawfulness and integrity of the appointment.

- Before accepting appointment a member shall review the Trust Deed together with all other legislation & documents setting out the terms and conditions, powers and responsibilities of the appointment.
- The Trustee should not accept an appointment without being able to provide the appropriate skills and time to execute the required functions in a prompt, efficient businesslike manner.
- The Trustee must be familiar with and comply with all legislative requirements affecting their appointment.

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Section 3: Constitution and NZ Law

KNOW YOUR RULES

4th Commandment of Good Governance (Te Puni Kokiri Gov Guide)

- Board members must be familiar with the Trust deed and board Charter.
- Trust deed and board charter set the rules on how the board will conduct its affairs.
- Actions of the board must be consistent with standards in the Trust deed and board charter.
- Board cannot act as though these documents do not exist.

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Section 3: Constitution and NZ Law

Duties of Trustees

Fiduciary Duties

- Duty to act in the interests of the Trust, consistent with trust rules and powers;
- Duty of loyalty - to achieve the charitable purposes is paramount.

Duties of Care, Skill and Diligence

- Duty to act with reasonable care and skill, that is, to exercise the care and skill that a "prudent" businessperson would exercise in managing other people's affairs.

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Section 3: Constitution and NZ Law

Duties of Directors

Statutory Duties

- Duty to act in good faith and in the company's best interests;
- Duty to exercise their powers for a proper purpose;

Duties of Care, Skill and Diligence

- Duty to exercise the care, diligence and skill that a reasonable director would exercise in the circumstances

The solvency test - Directors must abide by two-step test at all times:

1. The company must own more assets than liabilities AND
2. The company must be able to pay all its accounts as they fall due.

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Section 3: Constitution and NZ Law

Breach of Duties

Breaches of Trust or Failure to act lawfully

- Trustees are generally liable (jointly and severally) for the trust property and assets of the Trust.
- Beneficiaries can sue any trustee(s) for any loss incurred by improper or negligent acts of the trustee(s).

Liability Insurance for Trustees

- Trustees may be able to insure against potential liability where the trustees / board have acted responsibly with genuine attempts to comply with the law.

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Section 3: Constitution and NZ Law

WORKSHOP SESSION

Workshop Exercises

- Checklist - How well do you know your organisation & laws that apply?
- Benchmark your organisation's performance/compliance against benchmarks in Hallmark 2: A strong board?

General Questions:

- What does it say in your Constitution about charitable purposes?
- Are there specific charitable objectives or broad charitable purposes?

For Management

Have Governors delegated authority to you according to the Constitution?

For Beneficiaries/Members

Have Governors reported to you according to the Constitution?

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Section 4: Charitable Purposes

3 Tests

Charities Commission will check Rules to see that your organisation:

1. Has a charitable purpose that falls within one of the four purposes set out in section 5(1) of the Charities Act

2. Provides a public benefit

3. Is not carried on for the private pecuniary (financial) benefit or profit of an individual

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Section 4: Charitable Purposes

Common law and “four heads of charity”

Statute of Elizabeth (UK Charitable Purposes Act 1601)

Preamble lists purposes that were considered charitable 400 yrs ago.

Still referred to by NZ Courts today.

Pemsel’s case (House of Lords, UK)

embedded into law the four categories of charitable purposes:

1. Relief of Poverty;
2. Advancement of Education;
3. Advancement of Religion;
4. Other matters beneficial to the community.

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Section 4: Charitable Purposes

Political Advocacy & Sport NOT always charitable

Political Advocacy

NOT charitable if main purpose of your organisation (e.g. lobbying)

YES charitable if ancillary to main purpose or representational advocacy (e.g. helping people to access benefits)

Sport

NOT charitable if gift for sports or promotion of sport for entertainment or amusement

YES charitable if linked to 4 heads of charity (e.g. to relieve poverty or promote health through sport).

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Section 4: Charitable Purposes

WORKSHOP SESSION

Mini Quiz

Name the four heads of charity and give two purpose examples;

Workshop Exercise

Using your Constitution, create two lists:

a) charitable purpose compliant activities; b) non-compliant activities.

Questions

What is meant by No private pecuniary profit? Check Constitution.

How confident are you that all money and benefits flowing from your organisation is directed towards advancing your charitable purposes?

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Section 5: Stakeholders

Who are your stakeholders?

Those people or groups who have a stake (or interest) in how your organisation operates.

Apply the Model, check your Constitution

Which stakeholders are specifically named in your Constitution?

- Internal stakeholders? (shareholders, subsidiaries)
- External stakeholders? (funders, advisors, media)

Good stakeholder communication essential to compliance.

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Section 5: Stakeholders

Accountability

Stakeholder Communications Plan

Stakeholder:	Who will receive communication?
Communication needs:	What do they want to know? What do we want to communicate? Formal / informal reporting required?
Communication process:	How will we communicate? How often?
Person responsible:	Who will prepare communication? Who will deliver it?

Charities Commission online Public Register provides transparency.

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Section 5: Stakeholders

WORKSHOP SESSION

Workshop Exercise

1. Identify three stakeholders from your Constitution and create a Stakeholder Communications Management Plan.

Benchmark Exercise

2. Rate your organisation's performance or compliance against the benchmarks in Hallmark 6: Accountable and Transparent.

Questions:

3. Do you know the potential and actual size of your client base or membership numbers?
4. Does your organisation have a communications policy that covers all of its stakeholders?

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Section 6: Charities Commission

Functions of Commission (Charities Act 2005)

1. to establish and maintain a registration and monitoring system for charitable organisations, and
2. to provide support and education to the charitable sector on good governance and management.

Enforcement Powers if registered charity does not comply with Act:

- impose administrative penalties
- issue warning notices
- publicise any non-compliance
- undertake further investigations & deregister charities

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Section 6: Charities Commission

Compliance after registration

Annual Return

Your organisation must file an annual return on due date:

- a completed *Annual Return Form (Form 4)*;
- a copy of your accounts (audited or un-audited);
- notification of any changes to your organisation's details.

Notice of Changes

You have a duty to inform the Commission about changes in 6 areas:

- | | |
|---------------------------------|-----------------------------|
| 1. the name of your charity | 2. the address for service |
| 3. the balance date | 4. the rules |
| 5. the purposes of your charity | 6. a change in the officers |



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Section 6: Charities Commission

Deregistration and loss of tax exemption

Charities Commission can remove an organisation if:

- it asks to be removed or it no longer qualifies;
- there is a significant or persistent failure by the organisation or one of its officers (or collectors) to meet its obligations under Act
- the organisation engages in serious wrongdoing, or any connected person engages in serious wrongdoing

IRD Tax rates for non-exempt charities are:

(30% tax rate) for Incorporated societies or Companies;

(33% tax rate) for a trust including trusts incorporated under the Charitable Trust Act 1957



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Section 6: Charities Commission

WORKSHOP SESSION

Workshop Exercise

- Develop 3-step process and assign responsibility for compliance for each these four specific obligations under the Charities Act 2005

Questions:

- What would happen to your organisation if it lost its tax exemption?
- What would be the financial implications?
- Who has primary responsibility for filing the Annual Return and Notice of Changes to Commission?

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Section 7: IRD and Tax Exemption

Functions of IRD

- Inland Revenue remains responsible for administering the Revenue Acts and retains the right to audit charities to ensure they continue to be eligible for tax exemptions.

IMPORTANT NOTE ON INVESTIGATIONS BY IRD

- You must be able to show that you've complied with the relevant tax requirements.
- You must keep certain business records including financial records for seven years, a record of the sources of any donations, a record of how funds have been used in NZ or overseas.

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Section 7: IRD and Tax Exemption

Tax – related obligations for charities

- If your charity employs staff, it must register as an employer, deduct and pay PAYE.
- It must register for GST if carrying out taxable activity with \$60,000 plus annual turnover.
- It must file various return forms each year.
- It must calculate the profit from any (non-charitable) business to work out how much tax is due.
- It must provide, when requested, a tax return showing all funds earned in any year with sufficient details of the source and application of those funds.

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Section 7: IRD and Tax Exemption

Tax exemptions and benefits

Non-business (investment income) tax exemption

- Charities are exempt from income tax on non-business income such as interest and dividends and rents. They may use this income for charitable purposes in and outside NZ. (IR 255, page 26)

Business income tax exemption

- The portion of a charity's business income which is used for charitable purposes in NZ is exempt from income tax. If organisation uses income for charitable purposes outside NZ, only NZ part exempt (IR 255, page 26)

Donee Status and IRD approved Donee organisation

- Donee status means that individuals who make a cash donation to your charity can claim a tax credit (IR255, pages 28-30)

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Section 7: IRD and Tax Exemption WORKSHOP SESSION

Benchmark Exercise

- Rate your organisation's performance or compliance against the benchmarks in Hallmark 5: Financially sound and prudent

Questions:

- Does your charity keep its financial records for seven years? Who has responsibility?
- Does your charity have approved Donee status? If so, do you have a record of the donees?
- If requested, could your charity produce a tax return showing all funds earned in any year with sufficient details of the source and application of those funds?

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Section 8: Policies – Processes - People FOMANA 3Peez Method©

3 for three components to the method

First P **for Policy**
(guidelines for decision-making)

Second P **for Processes**
(step by step procedures and paperwork)

Third P **for People** with purpose
(ingredient to successful compliance)

Eez **for eezy** to remember and easy to apply.



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Section 8: Policies – Processes - People

Policies

Remember the Model – align policies to Constitution

- Policies are usually developed out of the need to provide further clarity, or guidelines on standards of performance, than what is prescribed in the Constitution or in law.
- Policies need to be consistent with the organisation’s rules and charitable purposes



FOMANA Policy Checklist

Legal Personnel Financial Management
Governance Operations Information Mgt

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Section 8: Policies – Processes - People

Processes

Consider:

1. What are the key process steps to implement the policy?
2. Who will be responsible for each step of process?
3. What paperwork (forms, checklists) are required at each step in the process?



See Sample Charitable Purposes Funding Policy

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Section 8: Policies – Processes - People

People with Purpose

From a people perspective, what is your role and duty?

Constitution and NZ Law:	Know your rules, know your legal duties and follow them.
Charitable Purposes:	Apply funds and benefits only for charitable purposes.
Stakeholders:	Be a responsible Governor & member - Accountability works both ways.
Charities Commission:	Registering is easy, maintaining it is not.
IRD and Tax Exemption:	0% tax or 33% tax – it's your choice.
Policies-Processes-People	Approve sound policies and Appoint skilled people to manage them.
Risks	Be constantly vigilant of risk and mitigate.

Rules, laws and policies do not make the difference - People do.

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Section 8: Policies – Processes - People

WORKSHOP SESSION

Workshop Exercise

- Use 3Peez Method to develop a Policy & process to address a risk issue in your organisation.

Questions:

- Do you have a policy on how groups can access funding from your organisation?
- How do you make sure that distributed funds are used only for charitable purposes?
- What financial systems do you have in place to ensure proper record-keeping and to monitor accountability for payments?

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Section 9: Risks
Operating outside of charitable purposes

Purpose Risk – operating outside of charitable purposes

- A key risk for charities, and one with serious negative financial and reputational consequences:

Impact or Consequences

- Financial challenge (loss of cashflow)
- Loss of contracts (as a result of funders excluding on the basis no longer "not for profit")
- Loss of tax exemption
- Pay back taxes, possibly penalties, interest and then subject to payment of tax thereafter
- Reputation damaged on several levels, personal, professional etc
- Adverse media attention

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Section 9: Risks
Danger Zone

Legal Risk – breach of legal duties and compliance obligations

- R-Rating for risk with serious penalties and grave consequences.

Income Tax Act 2007 - Criminal penalties:

- Obstruction (\$25,000)
- Evasion offences (up to \$50,000)
- Term of imprisonment up to 5 yrs for certain offences.

Charities Act 2005 - Offences

- Fine up to \$10,000 for failure to supply or supplying false or misleading information

Companies Act 1993 - Penalties for failure to comply with Act, section 373

- (1) Offences with fines to \$5,000
- (2) Offences with fines to \$10,000
- (3) Offences with fines to \$50,000 or prison term of up to 2 years
- (4) Offences with prison terms up to 5 years and fines up to \$200,000

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Section 9: Risks

WORKSHOP SESSION

General Discussion:

- What is your reaction to the “Danger Zone” Penalties table?
- What lessons are there for your organisation in relation to the media articles about investment losses by charities?

Questions:

1. Do you conduct regular risk assessments? How often?
2. What risk management tools do you use in your organisation?
3. How do you mitigate risks of non-compliance with Charities Act?
4. How do you mitigate risks of misappropriation of funds?

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Feedback & Evaluation

- Were the training objectives achieved?
- Did we meet your expectations?
- What improvements could be made?



Please complete the Evaluation form.

- Your feedback is valued and will be used to enhance the training for delivery to other charitable organisations.

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Conclusion

FOMANA Capital Limited
thanks you for attending this training workshop.
We hope it was worthwhile for you personally and
beneficial for your organisation.

Ka nui te mihi ki a koutou.


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4.5 Charities Commission online register – Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust



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Charities Register

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Charity Summary

These are the current details for: **Te Atiawa ki te Upoko o Te Ika a Maui Potiki Trust**

Charity details

Legal name of the charity **Te Atiawa ki te Upoko o Te Ika a Maui Potiki Trust**

Registration details

Status Registered
 Date 30/06/2008
 Registration number CC38312
 IRD Number Restricted
 Annual Return Due Date 31/03/2010

Address for service

Charity's street address 15 Balmoral Terrace
 Wellington 6021
 Charity's postal address P O Box 16147
 Wellington 6242

Charity's other details

Phone (day) 64 4 9709841
 Fax 64 4 9709841
 Email morrie@msukura.co.nz
 Website

Areas of Operation

Wellington - Wairarapa

Officers

Officer Name	Effective Date
John Warren	22/03/2006
Anania Randall	22/03/2006
Wayne Mulligan	22/03/2006
Te Rira Puketapu	22/03/2006
Joanne Korent	19/11/2006
Ihuia Puketapu	19/11/2006
Peter Reweti	10/11/2007
Morris Love	22/03/2006

Exemptions

This charity has been granted an exemption from filing an annual return by 31 March 2010 under Section 43 of the Charities Act 2005. The first annual return is due by 31 March 2010.

Charitable purpose

Note: Main sectors, activities and beneficiaries are in brackets

Sectors (Customary Fisheries)
 Environment / conservation
 Community development
 Economic development

Activities (Makes grants to organisations (including schools or other charities))
 Sponsors / undertakes research

Beneficiaries (Marae)
 Children / young people
 People of a certain ethnic / racial origin
 Family / whanau

Supporting Documents

Date Created	Type	Document
25/02/2008	Rules	Charity Rules.PDF

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4.6 Charities Commission Registration Update at 14 Dec 2009

<http://www.charities.govt.nz/>

NEW

[New information sheet - Deregistration – removing charities from the Charities Register](#)

[New information sheet - Charitable purpose and community and economic development](#)

[New information sheet - Guidance on the 'public benefit' test](#)

[Information sheet for donors, supporters and volunteers](#)

[Updated information sheet - Charitable purpose and sport and recreation organisations](#)

How many charities have we registered?

As at **7 September** 2009 we have registered **23,255** charities.

As well as providing searchable information about individual charities, the Charities Register can give a “snapshot” of the charitable sector in New Zealand.

[Take a look](#), to see where charities are operating, their main activities, who they are helping, and the sectors they are operating in.

Annual Returns

Registered charities must file an Annual Return with the Commission, within six months of their balance date.

Annual Return information helps the Commission monitor registered charities to ensure they continue to qualify for registration and provides information to the public about how charities carry out their charitable purpose.

Annual Returns and accompanying financial information are published on the [Charities Register](#). View the [Annual Return info sheet](#) for more information about filing a return.