CHARITY REGISTRATION WITH THE ACNC

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ACKNOWLEDGEMENT OF COUNTRY

The ACNC acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community.

We pay our respects to them and their cultures and Elders past and present.

AGENDA

- Understanding the Not-for-profit sector
- Benefits of registering as a charity with the ACNC
- Charity registration process (including bulk registration)
- Governance and ongoing obligations for registered charities

SECTION 1

UNDERSTANDING THE NOT-FOR-PROFIT SECTOR

WHAT IS A NOT-FOR-PROFIT?

An organisation established to serve a purpose, not to provide financial benefits to individuals

Does not operate for the profit, personal gain or other benefit of particular people (for example, its members, the people who run the organisation, or their friends or relatives).

Its assets and income must continue to support that purpose throughout their life and when the organisation closes.

CAN A NOT-FOR-PROFIT MAKE A PROFIT?

Yes. A not-for-profit can generate a surplus (profit), provided it is used to further the organization's purpose—not for private benefit.

Profits Can Be:

- ✅ Reinvested in programs and services
- ✅ Set aside for future projects or infrastructure
- ✅ Retained as reserves to support long-term sustainability

Important Consideration

A not-for-profit should use its resources to advance its purpose. Holding significant profits indefinitely, without applying them towards that purpose, may raise questions about whether the organisation is operating as a genuine not-for-profit..

EXAMPLE: REINVESTED IN PROGRAMS AND SERVICES

A mental health charity uses its annual surplus to:

- Expand counselling services
- Recruit additional volunteers
- Deliver more community workshops

EXAMPLE: SET ASIDE FOR FUTURE PROJECTS OR INFRASTRUCTURE

A community organisation retains profits over several years to:

- Purchase a permanent community centre
- Upgrade its IT systems
- Build a new disability-accessible facility

EXAMPLE: RETAINED AS RESERVES TO SUPPORT LONG-TERM SUSTAINABILITY

A charity maintains a reserve of 6–12 months of operating costs to:

- Manage unexpected funding shortfalls
- Respond to emergencies or natural disasters
- Maintain services during periods of reduced income

WHAT IS A CHARITY?

- A registered charity is a type of not-for-profit.
- In addition to being not-for-profit, a registered charity must have only charitable purposes that are for the public benefit.

ACNC - BACKGROUND

The Australian Charities and Not-for-profits Commission (ACNC) is the national regulator of charities.

The ACNC was established in December 2012 to achieve the following objects:

- maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- support and sustain a robust, vibrant, independent and innovative not-for-profit sector
- promote the reduction of unnecessary regulatory obligations on the sector.

WHAT THE ACNC DOES

1. Registers new charities
2. Maintains a charity register
3. Regulate charities (reporting and compliance)
4. Provides advice, guidance and education
5. Reduces red tape for charities

ATO'S ROLE IN THE NFP SECTOR

Responsible for the administration and endorsement of:

- Tax concessions (example: GST, FBT)
- Tax exemption (example: Income tax)
- Deductible Gift Recipient status

HOW THE ACNC AND ATO WORK TOGETHER

- Charity applicants can apply for ATO tax concessions as part of the ACNC registration process.
- If charity registration is granted, the ACNC forwards the tax concessions part of the application to the ATO.
- The ATO assesses eligibility for tax concessions and makes the final decision.
- The ATO notifies applicants of the outcome

👉 Benefit: Streamlined process — one application instead of two

If you don't apply at the time of registration

Charity applicants can apply for tax concessions directly with the ATO at a later time as well.

SECTION 2

BENEFITS OF CHARITY REGISTRATION

CHARITABLE STATUS (ACNC CHARITY REGISTRATION)

- Recognition that an organisation is a charity under Australian law.
- Determined and regulated by the Australian Charities and Not-for-profits Commission (ACNC).
- Gets access to certain tax concessions from the ATO (e.g. income tax exemption, Fringe Benefit Tax (FBT) concessions, Good and Services Tax concessions, Deductible Gift Recipient (DGR) endorsement — depending on eligibility).

! It does **NOT** automatically allow donors to claim tax deductions.

BENEFITS OF CHARITY REGISTRATION

Build Trust and Credibility

- Listed on the public ACNC Charity Register
- Signals transparency and accountability

Governance Support

- Clear legal framework under the Charities Act
- Guidance on governance and compliance

Unlock Funding Opportunities

- Eligibility for government and philanthropic grants
- Increased attractiveness to funders

Pathway to Deductible Gift Recipient Endorsement (if eligible)

- Enables tax-deductible donations
- Strengthens fundraising capability

BENEFITS OF CHARITY REGISTRATION (ACNC RED TAPE REDUCTION)

The ACNC works to reduce unnecessary regulatory burden by:

Promoting a "report once, use often" approach

Sharing charity information across government agencies

Streamlining reporting across Commonwealth, State and territory regulators

RED TAPE REDUCTION FOR QUEENSLAND INCORPORATED ASSOCIATIONS

Many Queensland charities operate as incorporated associations under the Associations Incorporation Act 1981 (Qld) and are regulated by the Queensland Office of Fair Trading (OFT). These organisations have ongoing obligations, including maintaining financial records, complying with their rules and holding annual general meetings.

ACNC Streamlined Reporting Initiative

Since the 2022 Annual Information Statement (AIS), eligible charities that are both:

- ACNC-registered charities, and
- Queensland incorporated associations

can meet their annual reporting obligations through the ACNC Annual Information Statement, rather than submitting a separate annual return to the Office of Fair Trading

STREAMLINED FUNDRAISING REPORTING IN QUEENSLAND

Simplified Registration for Fundraising

Queensland charities that are authorised to fundraise no longer need to register separately with the Office of Fair Trading (OFT). Instead, they notify the OFT using a Charity ACNC Registration Notification Form

Simplified Annual Reporting

Since the 2022 AIS, eligible charities authorised to fundraise in Queensland can:

- Report directly through the ACNC Annual Information Statement
- Avoid lodging a separate annual return with the OFT
- Provide their OFT fundraising registration number through the ACNC reporting process

HOW ACNC REGISTRATION HELPS

- One reporting pathway through the ACNC Annual Information Statement (AIS)
- No separate annual return to the Queensland Office of Fair Trading for eligible charities.
- Reduced administrative burden and compliance costs.
- More time and resources focused on delivering charitable outcomes.
- Better alignment of State and Commonwealth regulatory requirements.
- **Key Takeaway:** ACNC registration helps eligible Queensland charities spend less time on reporting and more time supporting their communities

SECTION 3

CHARITY REGISTRATION PROCESS

SAITE CHANGES AND ACNC REGISTRATION

The ATO has made changes to the administration of not-for-profit organisations, with an active ABN, that self-assess as income tax exempt.

Beginning July 2023, **non-charitable not-for-profits** with an active Australian Business Number (ABN) must lodge an annual NFP self-review return to the Australian Taxation Office (ATO) to self-assess eligibility for income tax exemption (SAITE).

These changes also mean that not –for profit organisations that meet the definition of charity **cannot** self-assess as income tax exempt.

WHAT DOES THIS MEAN FOR LANDCARE MEMBERS?

If your not-for-profit organisation has a charitable purpose, it cannot self-assess as income tax exempt.

It must register as a charity with the ACNC and be formally endorsed by the ATO as income tax exempt.

⚠️ If not registered as a charity, your organisation **may be treated as taxable** and required to lodge tax returns and pay income tax.

CHARITY REGISTRATION CRITERIA

Your organisation must:

- be not-for-profit
- have only charitable purposes that are for the public benefit
- not have any disqualifying purposes
- not be an individual, a political party or a government entity.

It must also have:

- an active ABN
- a governing document which includes its purposes/objects.

Registered charities must also:

- comply with the ACNC Governance Standards and
- if operating overseas, the ACNC External Conduct Standards.

STREAMLINED REGISTRATION PROCESS

We have been working with many peak bodies interested in supporting their member organisations to register as charities.

Currently there is up to an 11 week wait for charity registration applications to be processed in our general queue.

To address this, we have:

- A specific team to process applications/enquiries promptly
- Bulk registration application form where peak bodies can apply for registration on behalf of multiple organisations at once.

This means, on average, that it is taking under a fortnight for these applications to be assigned to an Analyst for consideration.

PREPARING FOR THE APPLICATION Australian Business Number (ABN)

🧾 Check Your ABN Details

- Make sure your Entity Type matches your structure (e.g. incorporated association = "Other incorporated entity")
- Fix anything incorrect with the Australian Business Register first
- Note: You may be issued a new ABN

📩 Apply for Registration

- Apply to the ACNC using the correct ABN
- If you have a new ABN → use the new one

📅 Choose the Right Date

The form will ask for the date from which registration is sought. Select the later of:

- ABN start date
- Date of incorporation with state-based regulator

🔑 Get your ABN right first — then apply with the correct details

PREPARING FOR THE APPLICATION – GOVERNING DOCUMENT

Also called constitution, rules, trust deed

✅ Must Include:

- Organisation name
- Purpose (charitable objects)
- Not-for-profit clause
- Winding up clause

⚠️ Important:

- Do not submit a draft
- Must be final and approved
- Must match your legal structure
- Can use a template (e.g. model rules for incorporated associations) - alter to suit the needs of your organisation

PREPARING FOR THE APPLICATION – Responsible Persons

Responsible People - your board or governing members

- This includes Directors, Committee members, Trustees
- Responsible for how the charity is run
- Must act in the charity's best interests

🎯 **What They Do**

- Make key decisions
- Set direction and strategy
- Oversee finances and operations

❗ List the correct number of Responsible People (board or committee members, or trustees) - minimum set by legal structure or governing document

PREPARING FOR THE APPLICATION – Further information

🎯 Choose the Right Subtype

- Must match your charitable purpose (objects)
- Use your governing document as the guide

⚖️ Show Good Governance

Provide details on how you will:

- Manage conflicts of interest
- Manage finances responsibly

🔑 Your purpose and governance must be clear, aligned, and well-managed.

SECTION 4

GOVERNANCE AND ONGOING OBLIGATIONS

ONGOING OBLIGATIONS AS A REGISTERED CHARITY

- Continue to be a not-for-profit and have a charitable purpose for public benefit
- Notify the ACNC of changes at your charity
- Keep records
- Report annually through completing an Annual Information Statement (AIS)
- Comply with ACNC Governance Standards, and ACNC External Conduct Standards (if operating overseas)

Learn about your ongoing obligations to the ACNC.

Annual Information Statement

1. Activities and purpose

- Main activities and programs
- Who the charity helps (beneficiaries)
- How activities support the charitable purpose

2. People and governance

- Responsible people (board/committee members)
- Staff and volunteer numbers

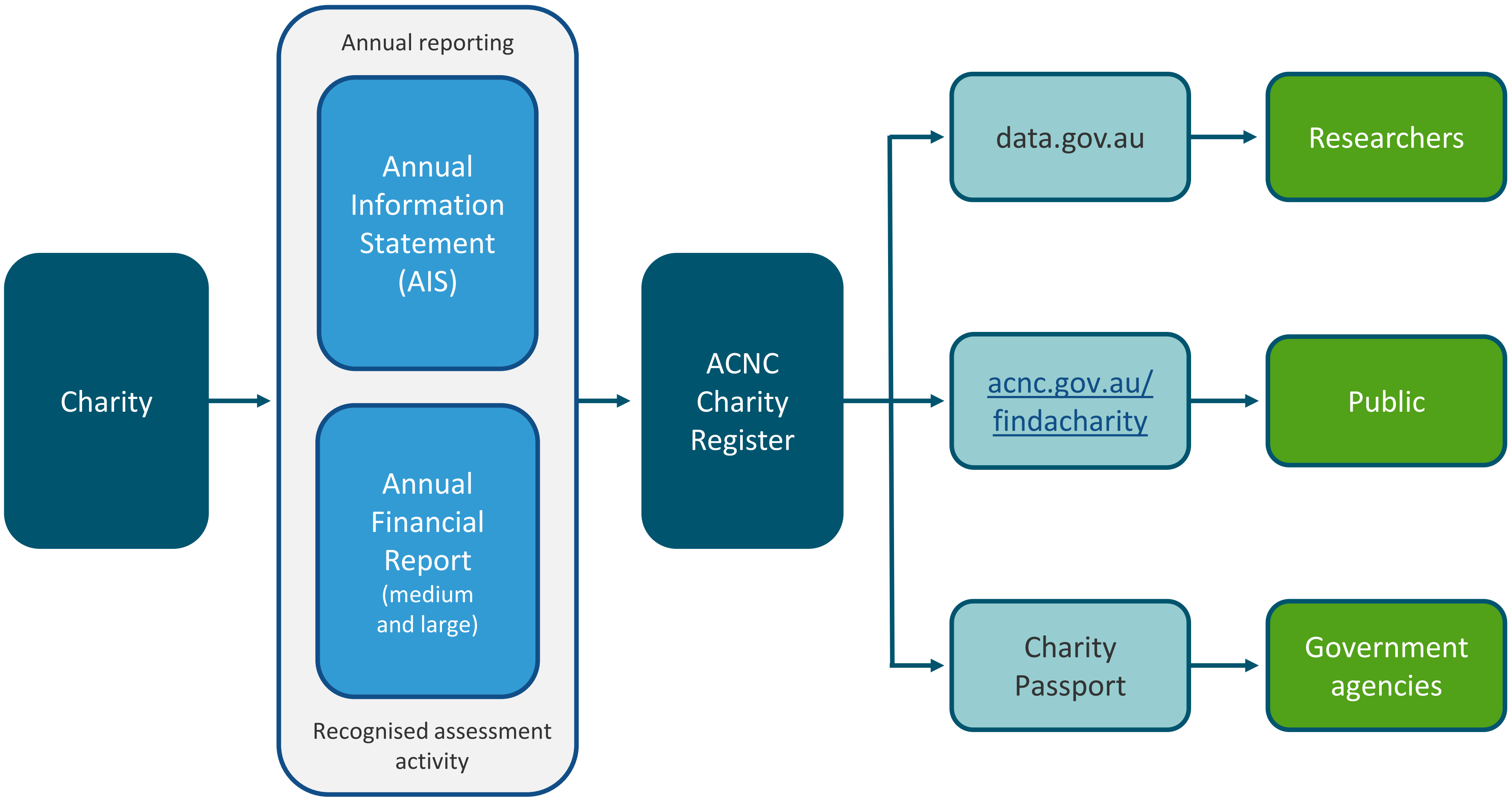
3. Financial information

- Income and expenses
- Assets and liabilities
- Financial reports (for medium and large charities)

4. Other key information

- Changes to charity details
- Related party transactions
- Use of resources and funding

SHARING CHARITY INFORMATION



Important Resources - ACNC

Registration

- Organisations that have been self-assessing as income tax exempt
- Registration application checklist and guide
- Deductible gift recipients (DGR) and the ACNC

Ongoing obligations

- Help accessing the Charity Portal
- Governance Hub
- Maintaining your charity's entitlement to registration
- Guidance and tools including Managing charity money: A guide for Responsible People
- Regulation of charities in Queensland | ACNC
- Fundraising in Queensland | ACNC

Webinars

- What you need to know about being a registered charity
- Everything you need to know about the Annual Information Statement

Additional Resources

ATO

- Income tax exempt organisations
- Starting a not-for-profit (NFP)
- Deductible gift recipient eligibility
- Applying for DGR endorsement as an environmental organisation

MISCELLANEOUS

- Incorporated associations - qld.gov.au
- Charities and fundraising - qld.gov.au
- Use our DGR Tool | Justice Connect's Not-for-profit Law
- Not-for-profit Law | Legal Help for Not-for-Profit Organisations

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acnc.gov.au

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1.00pm – 5.00pm
VIC/NSW time

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