NOT-FOR-PROFIT CENTRE KEY MESSAGES

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Not-for-profit Centre and Government Relations

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About our branch:
- The NFP Centre and Government Relations hub is a direct point of contact for government and not-for-profit clients and stakeholders.
- We work with clients, intermediaries, peak bodies, scrutineers, government, other agencies and all relevant ATO business areas and capabilities.

Our role is to confirm the integrity of NFP and Government tax administration, by:
- Influencing the shape of the tax and superannuation system
- Supporting clients to deliver important services for the Australian community especially in times of need during disaster periods or critical instances
- Providing clients with timely and tailored advice that assists them in meeting all their tax and super obligations
- Assuring clients are operating for purpose and using concessions appropriately that justifies the trust placed in them by the Australian community.

Risk and Strategy
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- Risk identification and assessments
- Strategy development
- Data analysis
- Case management
- Financial Action Taskforce measures
- Self-assessing tax exempt analysis
- Not-for-profit Assurance Program
- Not-for-profit Centre and Government reporting and planning

NFP Advice and Endorsements
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Director
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- NFP Premium Advice Service
- Tax concessions and DGR endorsements
- DGR specific listing support
- Public advice and guidance support
- Disaster response and support including stimulus measures
- Not-for-profit Ministerials and media
- Estimate briefs

NFP Transformation, Relationships & New Measures
Frances Gobel
Director
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- Not-for-profit client experience lead
- New measures and policy response
- DGR Reforms - including DGRs required to register as charities project
- Enhancing transparency of income tax exemptions (self-assessment) project
- Improving and transforming future administration of not-for-profits (roadmap and pilots)
- Key relationships (including Treasury, ACNC and NZ Internal Revenue)
- Key forums (including NFP Stewardship Group and NFP Community of Practice)
- Not-for-profit Centre and Government presentations

Government Relations
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- Government client experience lead
- Government pathway into the ATO
- Government assurance program aligned to the Justified Trust principles
- Key relationships and forums with all three levels of government
- Improving and transforming future administration of Government client obligations (roadmap and pilots) including the development of best practice Governance guidelines
- Not-for-profit Centre and Government Quality Assurance
- Government Entities Working Group
ATO STRATEGIC INITIATIVES THAT DRIVE OUR WORK PROGRAM

We are committed to our 2024 aspirations of building trust and confidence and being streamlined, integrated and data driven, which in turn contributes to supporting Australia’s economic recovery.

In 2021–22, we will continue to deliver on our core business activities, support government and Australian Public Service (APS) priorities, and continuously improve our services and systems to deliver better experiences for our clients. To do this we are focussing on seven strategic initiatives.

Strategic initiatives

**Optimise interactions through our self-service channels**
Create better experiences, making self-service channels the preferred option for most clients and their agents.

**Focus on what matters most**
Become a more purposeful organisation and improve client and staff outcomes by ensuring we focus on the highest value activities, and that these are understood and measured on an end-to-end basis.

**Improve small business tax performance**
Improve the tax performance of small businesses by integrating tax reporting mechanisms and making verifiable data easier for them to provide, access and use.

**Establish the Australian Business Registry Services**
Operationalise a single business registry service, including director identification numbers, to streamline services and make it simpler for businesses to interact with government.

**Embed new ways of working**
Harness insights and build on our progress in creating a dynamic workforce with the right leadership, culture, capability and staff experience to position us for the future.

**Unlock our data potential**
Improve the way we collect, manage, share and use data, to build confidence and drive actions that maximise value for the ATO and the community.

**Strengthen cyber security**
Protect our organisation, clients and other ecosystem partners from cyberthreats and data breaches.
OVERVIEW NOT-FOR-PROFIT SECTOR

REGISTRED NOT-FOR-PROFITS

56,500 ENDORSED TAX CONCESSION CHARITIES
To access charity concessions, charities must be registered with the Australian Charities and Not-for-profit Commission and endorsed by the ATO.

145,000 SELF-ASSESSED INCOME TAX EXEMPT
Not-for-profits can self-assess exemption from income tax if they are not a charity and they meet the requirements of one of certain categories.

209,600 REGISTERED WITH ABN

(4%) 8,100 TAXABLE NOT-FOR-PROFITS
Not-for-profits that lodge an income tax return include social clubs, certain professional associations, clubs whose main purpose is providing hospitality for members, and political parties.

SOURCES
1. Productivity commission research report 2010
2. ATO data warehouse as at April 2021 (assured August 2020) figures are approximate
3. Taxation statistics 2017-18, published July 2020
4. Australian charities report 2018

209,600 NOT-FOR-PROFIT SECTOR REGISTERED

60,000 NOT-FOR-PROFIT CENTRE

$3.7 billion donations from 4.4 million Australian taxpayers

In 2019-20 approximately:
- 2.6 million employees
- $20.8 billion PAYGW reported
- 32,300 registered for Single Touch Payroll
- Around 6,800 (9%) of all FBT registered employers in 2018-19
- $1.5 Billion franking credits refunded in 2018-19
- Payments doubled in the last five years

56,500 ENDORSED TAX CONCESSION CHARITIES

145,000 SELF-ASSESSED INCOME TAX EXEMPT

209,600 REGISTERED WITH ABN

5,000 TRUSTS

27,900 DEDUCTIBLE GIFT RECIPIENTS
Not-for-profits and government organisations endorsed as entitled to receive tax deductible donations. Includes 2,300 government entities.

64,100 GST REGISTERED
Not-for-profits with $150,000 turnover must register for GST.

40,000 PAYGW REGISTERED
Not-for-profits register and report PAYGW where they make payments subject to withholding.

As at 30 June 2021
More than $80 billion JobKeeper (JKP) payments were made to around 1 million entities with around 3.8 million individuals supported

$73.6 billion government revenue (including grants)
$10.5 billion in donations and bequests
More than 33,800 registered with myGovID to use online services (as at 10 Nov 2020)

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KEY FOCUS AREAS WHAT ATTRACTS OUR ATTENTION

DISASTER RESPONSE (NATURAL DISASTERS)
- Not-for-profits are supported to establish eligible disaster relief funds
- The community is provided with appropriate advice and support, relevant to the disaster

NEW AND EMERGING ISSUES (MEDIA)
- Issues that cause community concern around not-for-profits or government entities inappropriately accessing tax concessions or not operating for purpose

PRIVATE & PUBLIC ANCILLARY FUNDS
- Are ancillary funds meeting the requirements of the guidelines?

SELF-ASSESSMENT
- Not-for-profits correctly access and use the significant concessions available to the sector. Key aspects:
  - Self-assessing entities (e.g. sporting clubs)
  - FBT concessions and calculations
  - Determining the requirement to be registered for GST

MUTUALITY
- Is the principle of mutuality being applied correctly and are members correctly classified?

OPERATING FOR PURPOSE
- Private benefits - are entities meeting special conditions for income tax exemption. For example, are they applying income and assets solely for purpose? For example, Animal welfare charities and School building funds

REFUND OF FRANKING CREDITS
- Are charities entitled and claiming the correct amounts?

DGR ENTITLEMENT
- Are deductible gift recipients meeting their purpose and activity requirements?

INTERNATIONAL TRENDS
- Are there indicators of Terrorism financing or money laundering in the not-for-profit sector? For example, Accounting for overseas transactions

WIND-UP
- Surplus funds and assets are distributed according to the NFPs governing rules, upon wind up
MARKET ENGAGEMENT SIGNALS AND COMMUNICATION

Our Audience Engagement strategies have an overarching communication objective of supporting NFPs and government clients with effective communications to:

▪ help them access the right concessions
▪ operate for purpose, and
▪ meet their tax and super obligations

The NFP Newsletter has a broad reach and features:

▪ Articles
▪ Reminders
▪ AC Blog

We also provide signals to market through social media and our keynote presentations that highlight what attracts our attention and what clients can do to improve assurance
NFP INTELLIGENCE SCAN SCHOOL BUILDING FUNDS

The risk

- School Building Funds (SBFs) are endorsed as Deductible Gift Recipients (DGR).
- The nature and extent of this risk differs depending on the circumstances.

There is an attempt on the part of the applicant or their intermediary to manipulate the facts presented to fit Taxation Ruling 2013/2 – Income Tax: school or college building funds

The scan findings indicate that in most circumstances, applicants are open and honest in their applications and do not seek to manipulate the facts to fit examples in the ruling (TR 2013/2). There are, however, 2 key factors that are more prevalent in initial applications and objections where the facts have changed:

- Applications submitted for non-traditional schools, more likely schools that are linked to religious services organisations
- Applications submitted by intermediaries who proactively market their services (to secure DGR status) to non-traditional schools

The application centres on factors that are not clearly addressed under that ruling. For example:

- SBFs for overseas schools
- SBFs where the definition of ‘school’ is tested because the fund is linked to a ‘non-traditional’ school

In addition to the case scenarios identified above, there was also found to be a significant risk that SBFs endorsed (for religious services organisations, and potentially others) prior to the release of TR 2013/2 may not comply with the current interpretation of eligibility for DGR status because they have not re-assessed eligibility under the ruling.

Mitigation strategies

- Addressing behaviours of concern from intermediaries via engagement
- Actioning review cases endorsed pre-2013 with known risk factors
- Definition of a school will clarified pending outcome of Federal Court case
- Refining staff procedures on assessing applications submitted

Key statistics

- 4,761 total active SBFs
- 80% (3817) NFPs
- 20% (937) Government
- <1% (7) Other

3817 NFP SBF Breakup

- 40% (1536) Education
- 14% (542) Other
- 30% (1149) Religious
- 15% (590) P&C

1,149 Religious SBFs

- 98% ACNC registered
- 99% GST registered
- 97% endorsed pre-TR 2013/2
- 50% have tax agents
✓ Driving the delivery of new measures
✓ Meeting government commitments
NEW MEASURES
SELF-ASSESSED INCOME TAX EXEMPT NOT-FOR-PROFITS

2021 ANNOUNCEMENT

▪ Government announced reform to the administration of not-for-profits that self-assess income tax exemption.
▪ It is designed to ensure:
  ‒ only eligible NFPs access income tax exemption
  ‒ that NFP and for-profit entities operate on a level playing field, and
  ‒ trust and confidence in the sector is enhanced.

BACKGROUND

This measure is in response to Recommendation 24 of the ACNC Legislation Review 2018 to strengthen the ATO’s existing regulatory framework for NFPs.

WHAT IS THE CHANGE?

▪ From 1 July 2023, NFPs with an active ABN will be required to lodge an annual self-review return in order to access an income tax exemption. They will submit information ordinarily used to self-assess their eligibility with the ATO.
▪ In subsequent years, NFPs will confirm or amend information provided to them on a pre-filled self-review return.
▪ If a return is not lodged, they may become ineligible for income tax exemption and penalties may apply under the ATO’s existing penalty framework.

HOW IT WILL WORK

▪ Each year the Commissioner prepares and registers a Notice of Requirement to Lodge a Return (Legislative Instrument) for that particular income year.
▪ Legislative Instruments currently in force provide an exemption from the requirement to lodge a return for those NFPs that can self-assess as income tax exempt.
▪ The new measure will mean that the current exemption from the requirement to lodge for NFPs self-assessing as income tax exempt will be removed from the Legislative Instrument from 2023-24 onwards.
▪ For more information visit ato.gov.au/general/new-legislation

NEXT STEPS INCLUDE:

▪ Commence High level design
▪ Work collaboratively with the NFP sector to co-design – focus on minimising red-tape and leveraging opportunities for prefill
▪ Updates to issue regularly through NFP communication channels – including the NFP Newsletter, Stewardship Group Network and ato.gov.au web content
NEW MEASURES DEDUCTIBLE GIFT RECIPIENT REFORMS

2017 ANNOUNCEMENTS

The Government announced three reform measures designed to strengthen governance arrangements and reduce administrative complexity.

1. All DGRs register as charities to strengthen transparency and standardise regulatory and reporting arrangements.

2. To reduce complexity and streamline application processes, the administration of four DGR registers to be transferred to ATO and ACNC.

3. Contemporise and remove specific requirements for a DGR public funds, now covered by charity governance standards.

What has changed?

Before amending legislation
- 36 of 49 DGR categories required registration as a charity

After amending legislation
- The condition has been extended to all 47 of 49 general DGR categories.

DGR endorsement requirements

The Act amends the ITAA 1997 to include in the special conditions of more DGR categories that the fund, authority or institution is:
- a registered charity
- an Australian government agency operated by a registered charity or an Australian government agency

The requirement to be a registered charity or an Australian government agency does not apply for ancillary funds or DGRs listed by name in tax law.

Key dates

The amendment takes effect from 14 December 2021

Transitional arrangements apply for eligible organisations:
- 12-month transitional period ends 14 December 2022
- ATO may grant additional three-year extension of time in limited circumstances. Applications are assessed against eligibility criteria. Application forms will be available from 14 December 2021 on ato.gov.au

Who is affected?

Of 27,300 Deductible Gift Recipient entities the new requirement will affect less than 2,000 (7%)

Main category types of impacted DGRs:
- School Building Funds
- Cultural Organisation Public Fund
- Environmental Organisation Public Fund
- Public fund for persons in necessitous circumstances

More information
- ato.gov.au/DGRcharityregistration
- ato.gov.au/general/new-legislation

Apply via ato.gov.au or click the link from the November NFP Newsletter.

Who is affected?

27,900 DGR endorsed entities

Source: ATO Datawarehouse 24 Feb 2021

27,900 DGR endorsed entities

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IMPLEMENTED NEW MEASURE DGR CATEGORY FOR COMMUNITY SHEDS

KEY 2021 UPDATES

- To date the ATO has received just over 189 applications from Community sheds, which reflects about 16% of the known population.
- Applications have been lower than expected given that many sheds have been unable to conduct annual general meetings due to COVID-19 restrictions. Many sheds need to amend governing documents to meet DGR requirements.
- Of the applications received just over 90 have been DGR endorsed, with the remainder refused or withdrawn as eligibility requirements have not been met.
- The ATO has updated guidance to assist sheds to meet the ‘open membership’ requirements.

COMMUNITY SHEDS ELIGIBILITY CRITERIA

- Have an active ABN
- Be a registered charity with ACNC
- Be established and operate in Australia
- Meet DGR category requirements
- Include DGR winding up and revocation clauses in your governing documents

Category description

- A public institution whose dominant purposes are advancing mental health and preventing or relieving social isolation
- Principally advances these purposes through providing a physical location and supports individuals to work on projects or undertake other activities in the company of others
- Has membership that is open, or is limited only to an individual’s gender or indigenous status, or both

DGR Category for Community Sheds

Visit ato.gov.au/communitysheds

Dedicated webpage with information on:
- the DGR item number to include in your application
- requirements for your governing documents,
- how to apply to be DGR endorsed
- tax-deductible gifts and donations

Community Sheds webinar recording on atoTV

Watch to find out what is required to become DGR endorsed and the steps you need to take to apply
- Visit tv.ato.gov.au
- Click on the Webinar Channel
- Click on the webinar New deductible Gift Recipient category for Community Sheds webinar (22 September)

Have a question? Get in touch

NFP premium advice service

Our dedicated advice service for not-for-profits operates from 8.00am to 6.00pm AEST, Monday to Friday.
Phone us on 1300 130 248
Email ATOEndorsements@ato.gov.au
OTHER MEASURES AND PROGRAMS

Stimulus measures

The NFP Centre continues to support the sector with access to relevant government stimulus measures and support. Temporary Full Expensing and Loss Carry Back measures are currently being supported by the NFP Centre.

TEMPORARY FULL EXPENSING and LOSS CARRY BACK
- The Temporary Full Expensing and Loss Carry Back measures announced as part of last year’s Federal Budget are an integral part of the Government’s Jobmaker plan directed towards supporting business to recover from the economic impacts of COVID-19.
- Temporary full expensing and loss carry back is available to eligible taxable not-for-profits.
- Guidance on ato.gov.au has also been updated to incorporate our compliance approach for temporary full expensing and loss carry back.
- There are some common errors to be aware of when preparing a loss carry back claim, and these have been added to our website to help avoid these mistakes.
- We will work closely with the sector to create awareness and monitor behaviours and trends that may attract our attention.

Digital programs

The NFP Centre is driving the uptake of ATO self-service digital initiatives which include:
- Transitioning clients to online services for business
- Supporting design and user-testing for Digital platform project for ato.gov.au
- Transitioning remaining population to Single-touch-payroll
- Transition population to Director IDs

Online services for business

Online services for business provides a secure, modern channel for businesses and not-for-profits to manage their tax and super obligations. It replaces the Business Portal and Electronic Superannuation Audit Tool (eSAT).
- All Business Portal functions are available, in addition to a number of new services.
- BAS lodgment is easier and quicker—other not-for-profits have told us they’re saving valuable time with their regular lodgments.
- New and improved features include:
  - Organising a payment plan
  - Switch between organisations with a single log in
  - Access your communication history
  - Communicate through secure mail
  - View and print income tax return history
  - Customise your homepage
- Access it from multiple devices—including desktop computer and smart devices such as mobiles and tablets.

Make the switch
- Online Services for business went live in April 2021.
- The Business Portal was decommissioned from end July 2021.
- eSAT will continue to be available past the end of July while co-design activities continue, to address feedback from users.
- Find out more by visiting:
  - ato.gov.au/General/Online-services/Businesses
  - onlineservices.ato.gov.au/business
The Modernising Business Registers (MBR) program is establishing a new modern registry service. The new Australian Business Registry Services (ABRS) website launched on 6 October 2021. Visit abrs.gov.au. It is being progressively rolled out between 2021 and 2024. It delivers:
- The public face of the government’s modernised registry services
- More than 30 ASIC registers with the ABR into one place
- Introduces the director identification number (director ID) initiative

**WHO NEEDS A DIRECTOR ID?**

A director ID is a unique identifier given to a director who has verified their identity with the Registrar.

- A director ID is required by eligible officers of a:
  - Company, a registered Australian body or a registered foreign company under the Corporations Act 2001
  - Corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)
- An eligible officer is a person appointed as:
  - A director
  - An alternate director who is acting in that capacity
- Director ID applies to not-for-profit organisations that operate:
  - As a public company, private company, registered foreign company, registered Australian body or an Indigenous corporation
  - As a trust with a corporate trustee
- Director ID does not apply to unincorporated associations, cooperatives or incorporated associations established under State or Territory legislation unless the body is also a registered Australian body under the Corporations Act 2001

**WHEN TO APPLY FOR A DIRECTOR ID**

Directors can apply now for a director ID by visiting abrs.gov.au.

**Transitional arrangements apply**

- Corporations Act directors
  - Existing directors who became a director on or before 31 October 2021 have until 30 November 2022 to apply for a director ID
  - New directors appointed from 1 November 2021 to 4 April 2022 will need to apply for a director ID within 28 days of their appointment.
  - From 5 April 2022 all new directors will need to apply for a director ID before they are appointed
- Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI) directors
  - Individuals who become a director on or before 31 October 2022 have until 30 November 2023 to apply for a director ID
  - From 1 November 2022 all new directors will need to apply for a director ID before they are appointed
- If a director can’t apply by the required date, they can apply for an extension
- For further information visit abrs.gov.au/director-identification-number
Supporting clients through advice, guidance and support
**Supporting clients**

- Understand and meet their obligations
- Ensure they operate for purpose
- Access the right concessions

**NFP PREMIUM ADVICE PHONE SERVICE**

- Dedicated 1300 phone service
- Service window Monday – Friday, 8am – 6pm
- We help clients to get it right across a range of topics including, entitlement to tax concessions, refund of franking credits and deductible gift recipient endorsement
- In 2020-21 we responded to over 9,800 enquiries

**ENDORSEMENT**

- Assessment and endorsement of tax concession and DGR for charities
- Revocation of concessions for NFPs no longer eligible
- In 2020-21 we actioned in excess of 6,000 applications

**GUIDANCE**

- Tailored guidance for NFPs
- Commissioner’s discretion for ancillary funds
- Advice to Treasury on entities seeking specific listing as a Deductible Gift Recipient in legislation
- Support internal stakeholders
- In 2020-21 we responded to 2,500 guidance enquiries received through the NFP Centre mailbox

**SUPPORTING GOVERNMENT CLIENTS**

- We are transitioning government client queries through to the NFP Advice and Endorsement team to resolve queries or escalate to the relevant ATO internal area
- In 2021-22 we will trial “A concierge service” for government clients

**DISASTER RESPONSE**

- Support for emerging priorities including stimulus and natural disaster initiatives
- Priority endorsement of Australian Disaster Relief funds
- Coordinating external communications
- In 2021-22 we will prioritise our work to respond to demands

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PUBLIC ADVICE AND GUIDANCE REFRESH

Working together with internal and external stakeholders, we continue to refresh guidance products by reviewing language making sure that examples are contemporary and easy to understand.

Website
- Continuous improvement of dedicated NFP content on ato.gov.au, including:
  - Incorporating important information for new measures
  - Keeping content current
  - Improving navigation

Public Advice In Progress
- Draft Taxation Ruling TR2021/D6 *Income tax the games and sports exemption* was published on 7/10 and we are seeking feedback until 5/11
- GSTR 2012/2 - Goods and services tax: financial assistance payments
- Consultation on the impacts of the withdrawal of the GST Tool for Residential Colleges
- Remake OF Public Ancillary Fund Guidelines – Advice and Guidance

For consideration in 2022
- Utilising our Stewardship Group and stakeholders to prioritise our forward program
  - TR 95/27 Public Funds – Upcoming DGR reform removing public fund requirements will make review of this ruling a priority
  - TR 2000/10 Public Libraries, Museums and Art Galleries – Ruling does not reflect contemporary structures and operations of modern institutions
In June 2020, the ancillary fund guidelines were amended to encourage increased distributions to deductible gift recipients (DGRs) as a result of the COVID-19 pandemic.

Ancillary funds had until 30 June 2021 to increase their distributions in line with the amendments to be eligible for a lower minimum annual distribution rate in future years.

If eligible, the reduced rate applies automatically in future years without the need to apply to reduce your minimum annual distribution rates.

For more information:
- Go to ato.gov.au
- Search for QC 22312 (private ancillary funds)
- Search for QC 25252 (public ancillary funds)

In the last week of June of each year, we send a personalised refund application package to eligible organisations that applied for and received a refund in the previous financial year.

Phone us on 1300 130 248 if your organisation wants to apply for a refund of franking credits but you have not received a refund package. You can also phone us to request replacement forms.

For more information:
- Go to ato.gov.au
- Search for QC 62710

All public and private ancillary funds must lodge an annual information return.

Ancillary funds that are not registered with the ACNC and endorsed by the ATO are not exempt from income tax and may also need to lodge an income tax return.

Ancillary funds that are not registered as charities with the ACNC must continue to lodge a paper Ancillary fund return with us.

For forms and information:
- Go to ato.gov.au
- Search for QC 33554

ANCILLARY FUNDS REPORTING OBLIGATIONS

ANCILLARY FUNDS AMENDED GUIDELINES

REFUND OF FRANKING CREDITS HOW TO CLAIM
Shaping the system

- Engagement with our key stakeholders
- Developing and implementing a transformation roadmap to meet future needs
- Research and discovery to identify opportunities for improvement
SHAPING THE SYSTEM WITH OUR KEY STAKEHOLDERS

Working together to act on identified opportunities that strengthen tax administration of the not-for-profit sector, improve their experience with tax and superannuation obligations, and build community confidence that not-for-profits are meeting their obligations.

ACNC MOU AND WORK WITH OTHER AGENCIES
- ACNC and the ATO share a role in the regulation of registered charities. Guided by a memorandum of understanding, we work to:
  - streamline access for registered charities to access tax concessions
  - share intelligence to improve inter-agency processes.
- Treasury and the ATO take a co-operative and strategic approach to providing policy advice for the new measures that impact not-for-profits.

NOT-FOR-PROFIT STEWARDSHIP GROUP
- Not-for-profit Stewardship Group members represent a cross section of the NFP community, along with key agencies with a role in regulating the sector.
  - We work together to:
    - consider current and emerging issues around tax administration, as they relate to not-for-profits.
    - identify and design proposed solutions, including refining available public guidance, aimed at improving the not-for-profit experience and strengthening integrity of the system.

GOVERNMENT ENTITIES WORKING GROUP
- Government Entities Working Group is a special purpose working group operated by ATO.
  - Put in place in 2020 after creation of the Government Client Experience in the NFP Centre.
  - The Government Client Experience includes 3 levels of government.
  - Provides an opportunity for strategic discussion to develop and improve the client experience and administration of the taxation and superannuation system for government entities.

FINANCIAL ACTION TASK FORCE (FATF)
- Established in 1989 with members from 35 nations.
- We work collaboratively to set standards and implement measures that can combat money laundering, terrorist financing and other threats to the integrity of the international financial system.

OUR FUTURE FOCUS
- Working with international revenue agencies (including with New Zealand Internal Revenue).
- Understanding international best practice as it relates to regulation and administration of not-for-profits across jurisdictions.
- Understanding emerging risks for significant transactions across tax jurisdictions.
NFP AND GOVERNMENT TRANSFORMATION ROADMAP

Developing and implementing transformation roadmaps

As part of our key priorities in 2021-22, the ATO is committed to developing a transformation roadmap for NFP and Government sectors. The intent is to work with key stakeholders to shape an efficient and effective tax and superannuation system - one that supports NFP and government clients to meet obligations and builds community confidence in the sectors. The roadmaps will lay out the specific projects and activities required to meet this objective.

Transformation roadmap - positioning for future

Not-for-profit

Working with key stakeholders through the NFP Stewardship group to form a collective sense of the key elements of a shared vision and what we need to achieve to shape an efficient and effective administration in the future.

Key areas for consideration:
- What does an efficient and effective tax and super system look like for NFPs in five years?
- What roles do we each play in building trust and confidence that NFPs are meeting their obligations and operating for purpose and are eligible to access concessions?
- When we look at the NFP ecosystem, what are the fundamentals we need to have right and are they currently working?
- What does the role of tax and super regulator and administrator look like, in 2026 and beyond?
- What ‘support, advice and guidance’ is needed, and what should it look like in 2026 and beyond?
- How might we work, across government, and with key stakeholders, to reduce complexity and red-tape costs in 2026 and beyond?
- What will strengthening ‘integrity’ and ‘increasing certainty’ look like in 2026 and beyond? What does it mean for the sector?

Government

In July 2021, Government Entities working group held a collaborative design workshop. We focussed on undertaking a deeper dive to further understand the needs of government entities and how the ATO can improve their client experience.

Four key areas workshoped:
- How might we create an engaging and succinct pathway to ATO information or resources?
- How might we create a direct personal contact experience with the ATO?
- How might we develop content for better engagement with the ATO?
- How might we enhance collaboration and engagement?

NEXT STEPS

We are assessing the outputs from our discussions and drafting the elements into a vision statement. The vision statement will be validated in smaller focus groups in the coming months.
RESEARCH AND DISCOVERY

- We have recently commenced independent research into unregistered Not-for-profits. The intent of the research is to identify the Not-for-profit population that need to register with the ATO and be brought under the Not-for-profit regulatory framework.
- We have also recently completed independent research into the Not-for-profit sector expectations of ato.gov.au and opportunities to improve navigation and overarching digital experience for the NFP sector. The learnings are now being incorporated in designing self-service offerings for the NFP sector.
- We are assessing the outputs from our discussions and drafting the elements into a vision statement. The vision statement will be validated in smaller focus groups in the coming months.

INDEPENDENT RESEARCH INTO THE UNREGISTERED NOT-FOR-PROFITS
- Estimated 400,000 unregistered self-assessed income tax exempt
- Research project to scope key characteristics of unregistered self-assessing income tax exempt not-for-profits

ATO DIGITAL EXPERIENCE FOR NOT-FOR-PROFITS and the future of ato.gov.au
- Independent research into NFP expectations of ato.gov.au and opportunities to improve navigation and overarching digital experience.
- Over 240 NFPs participated.
- Findings include:
  - Majority of NFPs surveyed were satisfied with ato.gov.au layout, style and consistency.
  - NFPs prefer guidance that clearly outlines the next steps they should take.
  - A majority of NFPs visit the ATO website at least 1-4 times each month.
Have a question?

Government support
✓ GST
✓ Employer obligations
✓ Registration
✓ Lodgement
✓ Reporting
✓ Payments
✓ myGovID
✓ Online services

Enquiries
NFP premium advice service
Our dedicated advice service for not-for-profits operates from 8.00am to 6.00pm AEST, Monday to Friday
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