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CHARITY GOVERNANCE

AASB 15 Revenue from Customer Contracts a top priority

While entities with 30 June reporting commitments will be very busy over the next couple of months, those with a 31 December date should begin considering AASB 15 *Revenue from Customer Contracts* – its effective date is 1 January.

AASB 15 is likely to result in changes to reported results, customer contracts, bank covenants, budgets, IT systems, accounting manuals and disclosure templates.

Its implementation will be the responsibility of not only the finance team. Various staff will need to ensure that the transition is accurate, seamless and minimises stakeholders' surprises.

The time needed to determine AASB 15's impact will be significant. Each aspect of the contract and revenue process

will need to be scrutinised, and a plan for implementation developed.

Most steps will require a third balance sheet (as at that date) and comparatives at the end of the 2017 financial year. AASB 15 requires a five-step process:

- **Step 1:** Identify the contract
- **Step 2:** Identify performance obligations in it
- **Step 3:** Determine the transaction price
- **Step 4:** Allocate transaction price to performance obligations, and
- **Step 5:** Recognise revenue when performance obligations are met.

Simple? Well, perhaps not. To get you started on it, here is a 10-point plan:

1. Find time to consider AASB 15 – we are all busy but this can't be ignored
2. Understand existing revenue-recognition practices, including reviewing existing contracts with customers
3. Read AASB 15 in the context of your organisation and its existing contracts – identify areas of potential change
4. Apply the requirements of AASB 15 to them and understand their impact
5. Form an implementation committee with representatives from relevant divisions or external advisors (legal, finance, sales, contract management, project management)

6. Identify deficiencies in existing systems that will prevent your capturing relevant AASB 15 information
7. Determine whether changes to existing contracts are needed
8. Formulate a communications strategy for key stakeholders, for instance, banks, shareholders and most importantly customers
9. Develop a project and a plan
10. Seek expert assistance

As for 30-June balancers, remember your obligations under **AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors** to disclose the effect of standards issued that are not yet effective. As we move towards AASB 15's effective date, an entity should be able to quantify its effect.

CHARITY GOVERNANCE

ACNC releases guidance on charities' advocacy

Since the Australian Charities and Not-for-profits Commission (ACNC) was established in December 2012, both the charity sector and the public have contacted it to clarify what charities can and cannot do about advocacy and elections.

In response, the commission has published a new guide *Charities, elections and advocacy*, which sets out the ACNC's expectations of registered charities that plan on advocating or campaigning in elections.

The guide aims to help registered charities make informed decisions on how they can appropriately express their views on issues relevant to their charitable purposes. It sets out what activities the commission considers to be acceptable, and what activities may bring a charity's entitlement to registration into question.

Charities, elections and advocacy specifically covers:

- Advancing public debate, including promoting or opposing law changes
- Promoting or opposing a change to a law, policy or practice in federal, state and territory governments and overseas
- Promoting or opposing political parties or candidates
- Engaging in or promoting unlawful activities



- Engaging in or promoting activities that are contrary to public policy (the rule of law, Australia's constitutional system and public safety and national security).

The guide also sets out how the commission will respond to concerns raised by the public about a charity's activities.

'Ultimately, it is up to charity boards and committees to ensure that their charity's activities are in line with their charitable purposes', said ACNC commissioner, Susan Pascoe AM. 'As the national charity regulator it is important that the ACNC provides guidance for boards to ensure they understand this complex area of charity law.'

Registered charities and members of the public can access the guide at acnc.gov.au/advocacy.

CHARITY GOVERNANCE

AICD releases NFP performance study

The Australian Institute of Company Directors (AICD) has released its annual *Not-for-profit Governance and Performance Study* for the seventh successive year.

Focusing on the health-services sub sector and its financial stability, the study is the biggest and longest of its kind in Australia.

If you are interested in not-for-profit governance, you can find past reports and participate in this year's study at aicd.com.au/nfp-governancestudy.





CHARITY GOVERNANCE

New guide is essential reading for public-sector directors

The Governance Institute's new guide *Governance principles for boards of public sector entities in Australia* makes clear that good governance is not an end in itself.

It is a means of achieving the objectives for which the public-sector entity has been created, making good governance even more of an imperative in organisations that spend public money, the guide says.

Effective governance can make a vast difference to how entities perform as well as encourage better decision-making and the efficient use of resources.

Instilling and safeguarding public trust and confidence in the entity they have oversight of goes to the very core of the role and responsibilities of directors on public-sector boards. A very different, diligent and demanding approach is often needed.

But the application of a single good-governance model does not work for all public-sector entities, given the myriad legal structures and the complexities within which they operate.

They face different challenges, but a principles-based governance framework can provide consistent practices and behaviour.

'The political and operating environments within which public-sector entities and their boards operate can be very different from that of the private sector, and these guidelines aim to help public-sector boards produce outcomes that are not only effective, but, equally important, ethical,' said Governance Institute chief executive Steven Burrell.

'Public-sector boards have to ensure that accountability to the government and the minister and roles and responsibilities have been clarified, which in turn will help to ensure that the board adds value to the community and other stakeholders.'

The guide outlines key principles of good governance for people taking on a public-sector board role, and sets out recommendations for sound practice in a political and operational environment very different from the private sector's.

The guide is free to download at www.governanceinstitute.com.au/knowledge-resources/public-sector-governance/.

ACNC ACTIVITIES

15,000 charities due to submit information statements

Around 15,000 charities were due to submit their annual information statements by 30 June.

As well as being a legislative requirement, reporting to the ACNC on time shows communities that charities are committed to transparency. When a charity submits its AIS, the charity register is updated, providing insight into the important work the charity is doing.

The register is becoming an increasingly popular source of information about Australia's charities. In just over three and a half years, it has received more than 1.5 million views.

It may be searched at acnc.gov.au/findacharity.

Further information about charity reporting requirements, including the AIS, is available at acnc.gov.au/reporting.





ACNC ACTIVITIES

ACNC announces four charity revocations

The ACNC has revoked the charity status of four entities following investigations into their operations and activities.

The entities are:

- Newcastle Night Angels Homeless Care Incorporated, which has been operating since 2013 and is based in New South Wales. It was endorsed by the ATO as a deductible-gift recipient (DGR) and was also endorsed to access Commonwealth income-tax concessions as a public benevolent institution.
- St Andrews Children Neighbourhood Centre Inc, which has been operating since 2000 and is based in New South Wales. It was endorsed by the ATO to access Commonwealth GST concessions, the FBT rebate, and income-tax exemption.
- Balranald Aboriginal Health Service Incorporated, which has been operating since 2001 and is based in New South Wales. It was endorsed by the ATO as a DGR, and was also endorsed to access as a public benevolent institution GST concessions, FBT exemption and income-tax exemption.
- Xin Yi Dai Inc, which began operating in November 1999 and is based in Victoria. It was endorsed by the ATO to operate a fund with DGR status. The entity had also been endorsed to access GST concessions, the FBT rebate, and income-tax exemption.

The charities have 60 days to object to the ACNC's revocations.

Commissioner Susan Pascoe AM said that the ACNC's 'compliance activity starts with education and guidance'. The commission was committed, though, to maintaining and protecting public trust and confidence in the sector. 'When we find serious circumstances of mismanagement or deliberate breaches of the ACNC Act we will revoke charity status', she said.

'The overwhelming majority of people running charities do the right thing for the benefit of the community. However, since the establishment of the ACNC we have found a small group that are not willing to meet their obligations and, in some cases, are purposely using a charity as a vehicle for private benefit.'

The ACNC is prevented from disclosing further details due to secrecy provisions. The commission publishes instances, however, in which it uses its formal powers, including revocation, on the register.

Concerns can be raised by calling 13 ACNC or by visiting acnc.gov.au/raiseaconcern.

ACNC ACTIVITIES

New answers to FAQs on fundraising

The Australian Charities and Not-for-profits Commission (ACNC) has published new guidance to help the man in the street and donors to understand charity fundraising. The frequently asked questions cover issues such as:

- Fundraising regulation in Australia
- How and why charities fundraise
- What the public can do if they don't want to be approached by fundraisers
- The do-not-call register
- Information privacy, and
- The role of the ACNC and ATO (Australian Tax Office).

You can read more at acnc.gov.au/fundraisingFAQs.

ACNC ACTIVITIES

ACNC sought comments on benevolent institutions



The ACNC sought comments about its draft commissioner's interpretation statement (CIS) on public benevolent institutions (PBIs).

It states that for ACNC purposes, a PBI is a charitable institution with the main purpose of providing benevolent relief to people in need.

The CIS sets out the ACNC's views on what 'public', 'benevolent' and 'institution' mean. PBIs, for instance, might provide crisis accommodation to the homeless and disability services or be international development organisations.

The statement covers issues such as:

- The degree of need beneficiaries must be in
- Whether organisations can collaborate to provide relief
- Whether PBIs can operate overseas, and
- The distinguishing features of an institution.

Its appendix sets out a series of practical scenarios illustrating how the ACNC proposes to apply the CIS in practice.

The ATO administers the taxation implications of the PBI charity subtype for Commonwealth purposes.

Comments closed on 1 June.



ACNC ACTIVITIES

1,700 charities risk revocation

Almost 1700 registered charities that have failed to report to the ACNC are at risk of losing their status.

The charities have failed to submit an information statement for either 2013 or 2014, and a further report (for 2015) was due on 30 June. Double-defaulting is grounds for revocation of charity status. The charities were also at risk of losing their Commonwealth tax concessions.

Registered charities at risk of revocation can be found at acnc.gov.au/doubledefaulters. Check the list, and if you are associated with one of the charities, or know someone who is, contact the ACNC immediately.

ACNC ACTIVITIES

149 charities lose ACNC registration

For failing to submit required AIS for two years, 149 charities have had their registrations revoked by the commission. Charities have a legal obligation to report annually through their information statements.

Many of the 149 were identified as organisations that had probably ceased to operate.

On 12 April, the ACNC website published a list of charities that were in danger of having registrations revoked. The notice warned 159 charities of the ACNC's intention to revoke their registrations and asked them to submit outstanding statements by 10 May.

For more information about the revocation process and the list of deregistered charities, visit acnc.gov.au/whereareyou.

ACNC ACTIVITIES

ACNC releases fact sheet on concessions

Several federal, state and territory tax concessions are available to charities.

Your charity must be registered with the ACNC to apply for ATO concessions, but unregistered charities can apply for certain state, territory and local government concessions.

Details can be found in the *Charity tax concessions available* fact sheet. It's important to understand that while the ACNC registers organisations such as charities for federal purposes the ATO remains responsible for administering tax law, including deciding your organisation's eligibility for tax concessions.

The fact sheet addresses:

- Applying for tax concessions from the ATO
- Income tax exemptions and franking credits
- Goods-and-services tax concessions
- Fringe-benefits tax rebates
- Additional charity tax benefits (you can apply for tax benefits additional to those listed above if your charity is registered as a public benevolent institution, health promotion charity or charity for the advancement of religion)
- Fringe-benefits tax exemptions
- Deductible-gift-recipient (DGR) status, and
- Tax concessions from state, territory and local governments.

FINANCIAL—REPORTING INSIGHTS

Financial changes this year and beyond

At each reporting period, NFP directors and management committees need to be aware of changes that might affect their financial statements. Here, we look at standards effective for 30 June this year and future relevant changes.

It's great news that there are, in fact, no new accounting standards that are effective for the first time for 30 June year-ends this year.

We need to consider future standards, however, and ensure that implementation plans are developed where necessary. Some of the changes will cause significant impact on the reported financial position and performance of not-for-profits.

AASB 15 *Revenue from Contracts with Customers* is effective for annual reporting periods beginning on or after 1 January 2018, however the AASB are still deliberating about the scope of this standard for NFPs.

There will continue to be two revenue-accounting standards for NFPs:

- AASB 15, which will be used for revenue under a contract that has sufficiently specific performance obligations and is enforceable – the AASB are finalising the guidance around these terms in an Australian-specific appendix, and
- AASB 10XX, which will require revenue that falls outside the scope of AASB 15 to be recognised when control is received, most likely to be on receipt of funds.

We encourage NFPs to review AASB 15 and to begin the process of determining the impact on relevant revenue streams. Due to the timing of NFP revenue guidance, NFPs are likely to be exempt from a restatement of comparatives under AASB 15/AASB 10XX.

There is relief from certain fair-value disclosures for public-sector NFPs that have level 3 assets. The standard is applicable for annual reporting periods commencing on or after 1 July this year but is available for early adoption. It provides relief from disclosure of quantitative information about the significant unobservable inputs used in fair-value measurements and a description of the sensitivity of fair-value measurements to changes in unobservable inputs.

AASB 9 *Financial Instruments* and associated amending standards is applicable for all NFPs. This standard is applicable for annual reporting periods beginning on or after 1 January 2018 and contains several significant changes from the current financial-instrument accounting.

For NFPs, the impact of AASB 9 should be low. The biggest change is likely to be the treatment of available-for-sale Investments (that is, shares in listed entities held on a long-term basis as part of an investment strategy). These investments are no longer required to be tested for impairment and movements in fair value will remain in other comprehensive income as well as any gains or losses on sale.



We would not recommend early adoption of AASB 9, however NFPs should start to consider the impact of the new standard, particularly if they have financial instruments that might be more complex, such as derivatives.

The current exemption from providing related-party disclosures for NFP public-sector entities has been removed from 1 July this year. Public sector entities will have to identify their key management personnel (KMPs), their remuneration and other transactions with them and their related entities.

Entities affected by this change should begin an implementation plan as soon as possible to ensure that current systems and processes are able to identify the required information.

AASB 16 *Leases* requires the majority of leases held by an NFP to be brought onto the balance sheet (statement of financial position). The distinction between operating and finance leases will be removed. There are limited exceptions for short-term leases and low-value assets.

The income statement will no longer show rental income. Instead, we will see depreciation expense (relating to the right-of-use asset) and interest expense (relating to the lease liability).

Entities should begin the process of understanding leasing arrangements in place and ensure that they have the systems and personnel to be able to account for them under AASB 16.

The effective date of AASB 16 is annual reporting periods beginning on or after 1 January 2019.

FINANCIAL—REPORTING INSIGHTS



Income of NFP entities—latest AASB decisions

The draft AASB 10XX *Not-for-Profit Entity Transactions* provides guidance as to when control of a resource is obtained, include 'signposts' to accounting standards that entities should apply, and replaces the income-recognition requirements of AASB 1004 *Contributions* with new principles for transactions that are not within the scope of existing standards (for example, AASB 15 *Revenue from Contracts with Customers*).

No new principles will be developed for perpetual endowments but, rather, to include examples that illustrate the principles. Guidance will be included about whether an entity controls an endowment. Fair value of the rights to future income would normally be equal to the face value of the perpetual endowment.

Grants of cash that must be used to acquire or construct a non-financial asset (capital grants), and that have a return obligation if not spent appropriately, are to be accounted for under this standard. Where there is a return obligation and clear requirements to build or construct an asset to specifications under the grant, and in substance the arrangement is a grant of a non-financial asset, there are obligations attaching to the receipt of the cash. No revenue is recognised until the obligations are satisfied (for example, as the non-current asset is constructed).

Comparative information will be encouraged, but not required, in the year of first application.

To ensure existing grants that have been fully recognised in income need not be reconsidered (unless an entity chooses to do so), an 'Aus' paragraph will be included in AASB 15 that for an NFP entity on transition 'a completed contract is a transaction for which the entity has recognised all of the revenue in accordance with AASB 1004' and that a similar 'Aus' paragraph refer to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

For existing peppercorn leases, the practical expedients in AASB 16 *Leases* will be replicated and the lessee has an option to measure the carrying amount of the right-of-use asset at the date of initial application of AASB 10XX at fair value.

This proposed standard will be further discussed at the board's 30-31 August meeting.

FINANCIAL—REPORTING INSIGHTS

Charities transitional-reporting arrangements extended

The ACNC has been working with the federal government to amend its regulations to extend transitional-reporting provisions, allowing the commission to accept certain reports lodged with other government agencies.

In 2014 and 2015, the ACNC decided to accept the following reports as meeting ACNC's requirements:

- Financial reports lodged by incorporated associations, co-operatives and fundraisers with state and territory regulators
- Financial questionnaires lodged by non-government schools with the Department of Education and Training, and
- Annual returns and financial reports lodged by indigenous corporations with the Office of the Registrar of Indigenous Corporations.

To give the sector immediate certainty, the ACNC has committed to accept these reports for the 2016 reporting year. Information about transitional reporting provisions is at acnc.gov.au/transitionalreporting.



FINANCIAL—REPORTING INSIGHTS

CA ANZ releases guide for NFPs

Chartered Accountants in Australia and New Zealand has published the fifth edition of *Enhancing not-for-profit annual and financial reporting*. The guide is aimed at helping NFPs attain best practice in their annual and financial reports, as well as providing an overview of applicable legislation and resources.

The 2016 edition incorporates what the commission and other state-based regulators require from NFPs. It also includes recommendations from the 2013 PwC Transparency Awards and the evolving concept of integrated reporting.

Transparent reporting is key for NFPs when communicating with their stakeholders, and this publication provides best-practice tools.

FINANCIAL—REPORTING INSIGHTS

Identifying potential reporting errors

To ensure the integrity of the charity register, the ACNC's reporting team has written to more than 4000 registered charities to identify potential errors in their annual information statements and financial reports.

Common errors include:

- Incorrect totals
- Entering numbers with decimal places rather than whole numbers
- Rounding errors (for example, rounding numbers to the nearest thousand)
- Excluding negative signs in totals
- Leaving mandatory fields (such as totals) blank
- Addition errors
- Inclusion of other comprehensive income
- Misclassification of trust distribution
- Consolidation errors, and
- Differences in the financial information in the annual information statement and annual reports.



The ACNC may impose financial penalties on charities when they have deliberately provided misleading or deceptive information. Most charities receiving emails alerting them to potential errors will not be penalised. The commission encourages charities to correct identified errors as soon as possible.

If your charity is contacted about potential errors, you can find more information by reading FAQs on 2015 reporting errors at acnc.gov.au/2015aiserrors.

You can email aiserrors@acnc.gov.au or call (03) 8601 9159 for help.

FINANCIAL—REPORTING INSIGHTS

Simplified impairment requirements for specialised assets

If you are an NFP with specialised assets, you will be pleased to know that impairment requirements for them have been simplified in AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets for Not-for-Profit Entities*.

Kris Peach, chair of the AASB, said: 'NFP public-sector entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 *Fair Value Measurement* no longer need consider AASB 136 *Impairment of Assets*. NFP entities (such as charities) holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13. The proposed amendments will simplify and clarify impairment testing for all NFPs.'

'The amendments are long overdue, as stakeholders have been confused about how current replacement cost as a measure of fair value under AASB 13 and depreciated replacement cost as a measure of value in use under AASB 136 interact.'

The AASB noted that current replacement cost reflects obsolescence, including intentions to scrap assets, and there is no need for a separate impairment test when assets are regularly revalued. In practice, depreciated replacement cost and current replacement cost have been used interchangeably, and these amendments reflect practice.

AASB 2016-4 is operative from 1 January next year.



STATE AND TERRITORY—BASED REGULATORS AND THE ATO

New laws on WA incorporated association

The *Associations Incorporation Act 2015* (WA) became law on 1 July. The new Act repeals and replaces the current *Associations Incorporation Act 1987* (WA).

Subject to the transitional provisions, incorporated associations must comply with the requirements of the new Act and must notify the Department of Commerce of their address within 90 days.

The major changes requiring immediate compliance include:

- Members of the management committee are subject to statutory duties of good faith, to act for a proper purpose and not to make improper use of information or position. They must disclose all material personal interests (which include pecuniary and non-pecuniary). A bankrupt, or a person who has been convicted of certain serious offences (such as fraud) within the previous five years cannot be a member of a management committee.
- An association must comply with new financial-reporting requirements from 1 July if its financial year runs from 1 July to 30 June, and from 1 January 2017 if its financial year runs from 1 January to 31 December.
- Outgoing members of the management committee must hand over records of the association.
- An association must give a copy of its rules to new members at no cost or expense.
- If an association resolves to wind up after 1 July 2016 it must comply with the winding-up procedure contained in the new Act.

All existing incorporated associations have three years to update the rules of their association to ensure compliance with the new Act.

If an incorporated association adopts model rules prescribed by the regulations in their entirety and without modification, they will comply with the requirements of the new Act provided that the association has entered all relevant details such as the name, objects, quorum requirements, and financial year of the association.

If, at the end of the transition period, the rules of an association do not comply with the requirements of the new Act, the model rules will apply to the extent that the association's rules do not address or comply with a matter in Schedule 1.

Incorporated associations, including those that were incorporated before the 1987 Act and those subject to an exemption under the 1987 Act, must update their rules to comply with the new Act.

STATE AND TERRITORY—BASED REGULATORS AND THE ATO

SA Charities' red –tape reduction

South Australian charities have seen a significant win with the passing of a new law that will cut red tape.

The *Statutes Amendment (Commonwealth Registered Entities) Act* will exempt charities registered with the ACNC from reporting separately to the state government and from holding a South Australian fundraising licence.

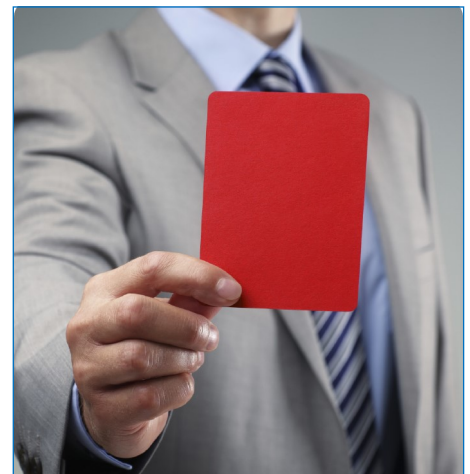
A bill was first put forward in 2013 then put on hold after the federal government announced that it would abolish the national charity regulator.

Under the new law, South Australian charities can still be incorporated under the state's Associations Act, but once registered they simply report to the ACNC.

Charities that previously required a fundraising licence will still be required to notify the state minister if they intend to fundraise but they will not require a separate licence, nor its associated application and reporting requirements.

If a charity is reporting to the ACNC, it will no longer have to report to Consumer and Business Services.

It is anticipated that the South Australian legislation will begin to operate from 1 January.



STATE AND TERRITORY—BASED REGULATORS AND THE ATO

NSW draft regulation aims to update association

Be it a sports club, arts, crafts, ethnic or cultural group, musical society, environmental club or communal garden, if it's a community-based not-for-profit organisation then chances are it is also an incorporated association.

The New South Wales government has released a draft regulation to update association processes and support amendments to the *Associations Incorporation Act* passed by state parliament on 2 March.

The existing Associations Incorporation Regulation 2010 will be automatically repealed on 1 September and the draft Associations Incorporation Regulation 2016 will replace it.

The draft 2016 regulation and a regulatory impact statement are being released for consultation and comments by 29 July.

Some of the major changes proposed include:

- Updating the procedures to allow for electronic voting
- Adding a new provision to keep financial records for at least five years, where there was previously no time period specified
- Adding a non-distribution and wind-up clause into the

model constitution

- Amending the model constitution to take into account electronic communications and the use of technology at meetings,
- Revising the fees schedule – fees for lodging the annual statement of financial affairs reduced for tier 2 associations (gross receipts not exceeding \$250,000) and raised for larger tier 1 associations.

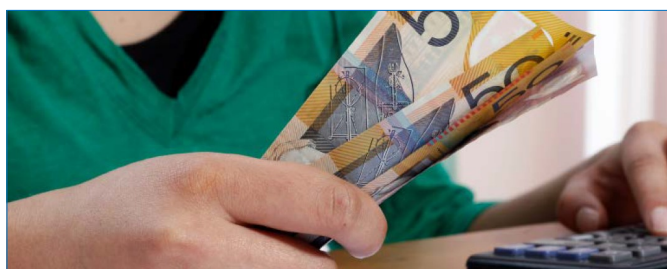
A copy of the draft regulation and impact statement is available from the *Have your say* page on the NSW Fair Trading website.



STATE AND TERRITORY—BASED REGULATORS AND THE ATO

ATO releases information sheet on franking credits

The Australian Taxation Office (ATO) has released the information sheet *Refund of franking credits 2015 – 16*.



Franking credits attached to franked dividends paid to your organisation and attached to an entitlement to a franked distribution are refundable provided certain eligibility criteria are met and your organisation is any of the following:

- A charity registered with the ACNC and endorsed by the ATO as exempt from income tax
- An income-tax-exempt deductible gift recipient (DGR) endorsed in its own right. It's not sufficient if your DGR is endorsed only in relation to a fund, authority or institution that it operates, such as a school-building fund
- An income-tax-exempt DGR listed by name in the tax law

- An income-tax-exempt relief fund declared by the federal treasurer to be a developing country-relief fund, and
- A prescribed income-tax-exempt entity eligible for a refund under relevant regulations.

Franking credits generally occur for shareholders when certain Australian-resident companies pay income tax on their taxable income and distribute their after-tax profits by franked dividends. Franked dividends have franking credits attached.

Franked dividends can also occur as a result of an entitlement to a franked distribution, such as when the organisation is a beneficiary of a trust.

Organisations that receive a dividend from a New Zealand company with Australian franking credits attached will be able to obtain a refund of those Australian franking credits.

New Zealand franked credits cannot be claimed. If the New Zealand company that paid the dividend has not specified that the franking credit is Australian, you should contact the company to work out if it is an Australian or New Zealand franking credit. In most cases, if it is not specified as Australian, it will be a New Zealand franking credit.

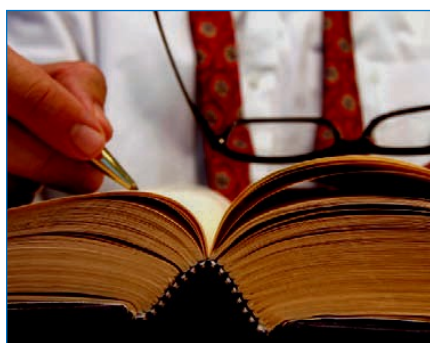
STATE AND TERRITORY—BASED REGULATORS AND THE ATO

CAV throws book at Victorian estate agents

Consumer Affairs Victoria (CAV) director Simon Cohen has released the regulator's report for the second half of 2015 half-year report, which details hundreds of inspections of estate agents and rooming-house operators state-wide that resulted in jail sentences, estate-agent license suspensions and fines.

The state's 4370 trust accounts are held by more than 2600 estate agents and are worth nearly \$2.1 billion.

During the second half of last year, CAV issued 54 infringements to estate agents for failing to get their trust accounts audited within three months of the end of their reporting cycle or failing to submit a copy of the audit report to CAV within 10 business days



of receiving it. Penalties ranged from \$948 to \$1820.

Court action was taken against 16 estate agents over trust-account deficiencies, resulting in penalties that included a licence suspension of nine years for an agent who caused trust-account deficiencies of \$37,000.

In February, Huntingdale estate agent Anthony Brancatella was sentenced to a 40-month jail sentence for trust-account offences of nearly \$2 million.

'Victorians put their trust in estate agents to sell their home,' said Mr Cohen. 'While most estate agents are doing the right thing, those who don't meet their trust-account obligations can expect to be investigated.'

'Buyers, sellers, landlords and tenants rely on estate agents to deal with deposits and bonds honestly and scrupulously. Any deviation from strict probity requirements is a serious matter.'

Rooming-house operators also came under scrutiny. CAV will inspect all 1100 Victorian rooming houses this

financial year to ensure compliance with minimum standards and the state's rental laws.

In the second half of 2015, 376 rooming houses were inspected and 48 re-inspected to ensure that any problems found had been addressed.

'Rooming-house standards are there to protect the state's most vulnerable residents, and these are enforced by Consumer Affairs Victoria inspectors,' said Mr Cohen.

In October, following a Consumer Affairs Victoria prosecution, a magistrate awarded \$800 compensation to a rooming-house resident after SLM Housing Pty Ltd interfered with his rights by withdrawing a fridge from his room with the aim of causing him to leave. SLM Housing Pty Ltd was also fined \$3000.

CAV has commenced further proceedings in Sunshine Magistrates' Court against the same company, which is facing 158 charges because of alleged breaches of minimum standards at the rooming houses it operates.

STATE AND TERRITORY—BASED REGULATORS AND THE ATO

ATO app makes donating easy

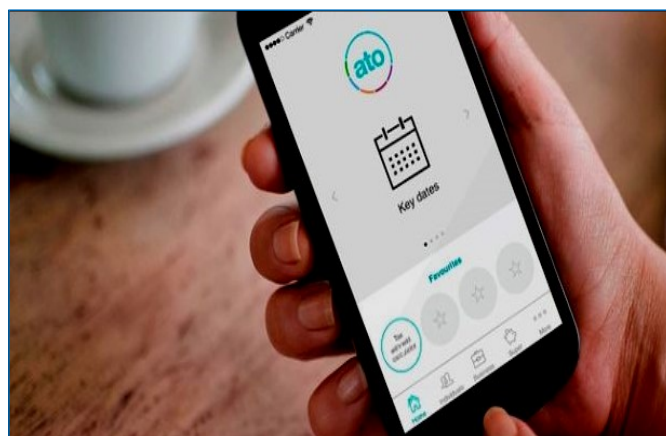
An ATO app can help you make the most of your fundraising efforts.

The *myDeductions* tool within the app simplifies record-keeping and tax-time reporting, which might make it easier for your supporters to keep track of their deductible gifts and donations.

If you're planning or managing a fundraising campaign, consider how the ATO app will benefit your target audience.

Without the hassle of searching for receipts, eligible deductions can be claimed with ease – providing increased assurance for your supporters, so they may donate with confidence.

The app is easy to download and even easier to use. When a donation has been made, the donor can simply open the



myDeductions tool, add a description, the amount donated and take a quick snap of their receipt. The details are then stored on their phone, making them easily accessible.

When it's time to lodge their 2015-16 tax return, the completed deductions can be uploaded to *myTax* or sent directly to an accountant or tax agent ... No more missed deductions.

STATE AND TERRITORY—BASED REGULATORS AND THE ATO

Tasmania reduces red tape for association

The Tasmanian government is reducing red tape for incorporated associations.

Adam Brooks MP said that the introduction of the *Associations Incorporation Amendment Bill 2016* will exempt incorporated associations registered with the ACNC from having to provide duplicate financial reports to Tasmania's Commissioner for Corporate Affairs.

This is a significant step forward in terms of aligning reporting requirements for registered charities.

The bill more closely aligns Tasmanian legislation with ACNC requirements by removing the need for incorporated associations with annual revenue of less than \$250,000 to have their financial reports audited.

The proposed amendments will benefit Tasmania's 1200 registered charities and ultimately the community.



COLLINS & CO EVENTS

SAVE THE DATE!

NFP CONFERENCE

Collins & Co's Third Annual NFP Conference is confirmed for Wednesday 22nd March 2017.

Topics and venue to be advised.

COLLINS & CO SOCIAL


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SAVE THE DATE!

NOT-FOR-PROFIT NETWORKING EVENT

DATE: Wednesday 7th of September

TIME: 6:00PM—8:00PM

LOCATION: Barkers Café at
Whitten Oval
417 Barkly Street
Footscray VIC 3011

Join us on Wednesday 7 September for the first Melbourne Not-for-Profit Networking Event for Not for Profit executives and Boards brought to you by Collins & Co & CBB the not4profit people. We will explore how an innovative social entrepreneurial approach can assist with solving social issues in developing countries.

'Innovating approaches to solving social problems' by Elliot Costello. Elliot Costello is a social entrepreneur who, in 2008, co-founded YGAP. Elliot will walk you through YGAP's entrepreneurial approach to solving some of the world's biggest problems, as YGAP continue to disrupt the non-profit sector.

This is a great opportunity for like-minded professionals to network and collaborate whilst benefiting from the experiences and knowledge of our speaker.

For more information or to register for this event please email partner@collinsco.com.au



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