

Training:

Coming Seminars: March 2009

Add-Ministry & CMA—Joint Seminar Tuesday 24 March 3-9 p.m.

Add-Ministry welcomes CMA activity in the State and is pleased to join with them in this Seminar:
“Administering Your Organisation—How to Do it Without Band-Aids!”

The Seminar will incorporate a stream for those in the Management Team, covering the new world in industrial laws and governance issues, and a practical stream on tax laws for the Treasurers and bookkeepers. This latter stream covers GST/BAS/FBT/Salary packaging and the wider Income Tax areas.

Refer to the brochure you can download from our website at:

www.addministry.org.au or ‘phone 9271 1844

Christian Management Association (CMA) - 25-26 March -

Leading and managing a Church or Christian organisation requires a unique set of competencies, and Christian Management Australia can help you develop them, in their upcoming two-day ‘Mastering the Management Buckets’ Seminar in Perth. – You will explore 20 key competencies to put you on the path to effective ministry leadership. Visit www.cma.net.au/perth for details.

Notre Dame University post graduate course:

The Graduate Certificate in Not-for-Profit Leadership and Management is being offered in first semester 2009. For details contact Debbie Hoare on 0433 0925 or dhoare@nd.edu.au or Professor David Gilchrist on 0404 515 270

Occupational Safety and Health training: -

WACOSS are running a training session on 10 February on this significant subject.

The full day workshop includes a presentation by Work Safe on the Occupational Safety and Health legislation applying in WA. It is designed to ‘demystify’ the Act and to assist organisations to comply with the legislation. The Workshop will include comment on: -

- Employment of OSH representative.
- Responsibilities to volunteers.
- Defining areas of risk for not for profit groups.
- What is the ‘work place’?
- To whom does the Act apply?
- Commencing a Risk Management system.

More information can be obtained by visiting the website: -

www.wacosstraining.org.au

Publications available:

Voluntary Treasurers’ Handbook —
hard copy — 59 pages\$30.00

Missionary Tax Guide—2008
hard copy— 47 pages \$30.00
E-mail copy \$20.00

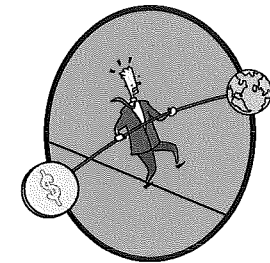


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Newsletter



January 2009

Visit our Web Page:

New Document: -

Risk management for Churches.

This practical and detailed guide will draw your attention to the wide range of issues to consider to better protect your church or charity.

Written by John Peberdy, Managing Director of EIG Ansva Ltd, the author has a wealth of experience from which to draw.

Previous copies of this Newsletter are also available on the website.

www.addministry.org.au

Dealing with ATO?

When your organisation first applied for an Australian Business Number (ABN) you would have advised ATO of your authorised contact persons. Over time, those contact persons may have changed. If so, have you advised ATO?

We are aware of a number of organisations where there have been changes in office bearers of which ATO have been unaware. A problem arises when a person properly authorised by the entity itself makes contact with ATO, but of whom the ATO have no knowledge. ATO need a previously authorised person to identify the changes.

It would be worthwhile including in your annual review of your Tax Concession Charity (TCC) and/or Deductible Gift Recipient (DGR) status, a further review to ensure ATO have been advised of any changes in authorised contact persons. This relates particularly to BAS/GST and PAYG matters.

To check these matters further you should contact ATO by 'phoning the non-profit infoline – 1300 130 248 or for commercial entities - 13 28 66.

GST Credits and Reimbursements: -

ATO have issued Non-Profit News Service # 0229 referring to claiming GST credits on reimbursements to employees, officers, agents and volunteers. The full wording of the extract can be found by reference to the ATO website: – 'Non-profit organisations' and inserting the Non-profit News reference in the search facility.

ATO Audits on Not-for-Profit Entities: -

A recent review of ATO statistical data for the 2007/8 financial year gives some information regarding the audit activity for the not-for-profit sector. Some key information noted includes: -

- 410 charities' tax concession status was reviewed. 21 entities had their concessions cancelled.
- Of 4,900 applications for charitable or DGR status, 1,205 were disallowed. (A 25% rejection rate is substantial).
- Reviewed 113 DGR entities and recovered \$439,000.00 in tax and penalties.

The ATO audit of the not-for-profit sector, while not as substantial as their audit activities in the commercial sector, is nevertheless increasing.

GST and Grants: -

ATO have issued a Guide Note regarding GST and Grants. They advise they are in the process of reviewing their Ruling GSTR 2000/11 on the subject and will issue a draft public Ruling in the near future. Until this is done, the existing GST Ruling will continue to apply.

An area of specific comment relates to Recipient Created Tax Invoices (RCTI). There are numerous instances where grant conditions provide that an RCTI will be issued by the grantor body. Such an invoice should show the GST component and those provisions should be consistent with the Grant Agreement. Where there is any doubt about the matter, you should contact the grantor body.

Tax Invoice waiver with credit cards: -

ATO have issued legislative instruments to provide that in certain circumstances credit card holders can rely on their card statement without the need to retain the accompanying tax invoice. The legislative instruments refer to: -

Corporate credit and charge card holders, - e.g. Amex and Diners, and
Visa Purchasing Cards.

More specific detail is available from the ATO's Non-profit hotline 1300 130 248.

We would encourage you to maintain the regular practice of retaining tax invoices notwithstanding these provisions. Your internal control requirements and audit requirements may well need you to be able to produce the more detailed documents. It is unlikely that the credit card statement itself will be sufficient to pass these more rigorous tests. Nevertheless, it is of assistance to know that where a key document is lost there are options now available.

Senate Inquiry into Not For Profit Sector:

The Report by the Inquiry was released in December 2008 and provides significant recommendations that will impact on the Sector. Charitable and religious bodies and other not for profit entities will all feel the impact of the Inquiry soon.

The key recommendation is the establishment of a national authority to regulate and also develop the Sector along lines similar to the UK Charities Commission. It also includes a recommendation for a National Fundraising Act. Overall, these and other recommendations focused on assisting the Not For Profit Sector by reducing the legislative complexity that currently exists, particularly for the entities operating across State boundaries. While such moves will require active co-operation from all States and Territories, they are likely to receive significant support.

Henry Review on Australian Tax System:

An interim report on this extensive Review was released recently. It includes comment on the Not For Profit Sector (Part 7 of the Report). This identifies many submissions that question the lack of balance and complexity in the taxation rules that impact the Sector. The submissions vary from proposals to reduce the maze, to proposals that tighten the laws further. It is too early to learn the possible conclusions from the Review but its impact on the Sector will be influenced, we think, by the current Senate Enquiry. More information is available at:
www.taxreview.treasury.gov.au

Standard Chart of Accounts: -

As advised in our December Newsletter, this joint WA Government and Not For Profit Sector initiative will soon be launched. More information will soon be available at:
<http://wiki.qut.edu.au//display/cpns/western+australia>

Prescribed Private Funds: -

The Federal Treasury has issued a discussion paper recently headed "Improving the integrity of Prescribed Private Funds". For entities that are involved in this area further information is available at: -
<http://assistant.treasurer.gov.au>