



-ADDING TO YOUR MINISTRY

NEWSLETTER – JANUARY 2018

Susan Pascoe retires:

Susan Pascoe, the inaugural Commissioner for Australian Charities and Not for profits Commission completed her 5-year term on 30 September 2017. Susan will be sorely missed by the Charity Sector as she has established a role model that will be very difficult to emulate.

Charities – a risk with terrorism and fraud:

A recent international assessment has ranked not-for-profit entities, including charities, as the second highest risk in raising funds for terrorism. Austrac is the Government agency charged with the responsibility for combatting money laundering and terrorism financing and has identified that the Charity Sector in Australia, in particular, is at risk. The core concern is that many charities do not ensure that careful checks have been made to ensure that the recipient of overseas remittances have established adequate safeguards to protect both their own operations and also the charity providing them with support. It is important to establish good governance and good internal controls as well as knowing the beneficiary organisation.



Remunerating Board Members:



The majority of charity Board members are unpaid, but there are many instances where they are reimbursed for expenses incurred in fulfilling the objects of the charity. Mines Dep't, the Government Department responsible for administrating incorporated associations, has established a set of Model Rules which provide guidelines in this, as in many other matters. These Model Rules establish that a reimbursement for travel and accommodation expenses which relate to the charity's activities and other direct expenses can be reimbursed to Board members.

However such expenses should be properly authorised through a relevant Minute or appropriate policy arrangement. ACNC have also produced a paper entitled "Remunerating Charity Board Members". This may be found on the ACNC website by using the search facility. ACNC advise that a payment may be made to a Board member provided it is properly authorised and consistent with the Objects of the charity. It is essential that the charity's Rules or Constitution give authority for this to happen and also that there is compliance with ACNC's governance standards.

Charity reporting for 2017:

ACNC require charities that have a year end date of 30 June are expected to report by 31 December through lodging their Annual Information Statement (AIS). The preferred procedure is on-line through the Charity portal. Alternatively a paper form can be available by e-mail

request to advice@acnc.gov.au. Incorporated associations in WA are currently also required to lodge an Information Statement with Mines Dep't through the AssociationsOnline website. This statement cannot be lodged until after the Annual General Meeting (AGM). With June year-end charities, the AGM must be held before 31 December or an extension of time applied for. Extension of time needs to be requested well before the AGM deadline.

MP Toolkit:

ACNC has established a helpful search facility entitled "MP Toolkit". It can be located on the ACNC website through the search facility using that caption. This is a facility for Members of Parliament but is also a useful search resource for others. An Internet search at acnc.gov.au/mp will allow you to search by federal electorate or by post code. It is a very simple process that quickly provides you with information about all registered charities in a particular location.



ASIC Fees:



ASIC are now required to charge a fee commensurate with the cost of service and there is a proposal currently under consideration that all companies limited by guarantee, whether registered charities or otherwise, will be obliged to pay a substantially increased fee on an annual basis. ACNC are in discussion with ASIC regarding this as ACNC brief is that no fees should apply. We suggest that if you receive an invoice from ASIC that your contact ACNC to request advice as to whether you are obligated to pay.

Extra small charities:

The ACNC Annual Report identifies that 37% of all registered charities are very small, with an annual revenue of under \$50,000. While small, they punch above their weight with more than 430,000 volunteers actively supporting their activities.

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P O Box 175

BAYSWATER WA 6933

Ph: (08) 9271 1844

E-mail: addministry@hardingthornbury.com.au

Visit our website at:

www.addministry.org.au

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