Community sheds, charity registration and DGR

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acnc.gov.au/webinars
To Do List

1. The ACNC, ATO and DGR
2. Explanation of new DGR category for sheds
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3. Charity registration steps
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4. Charity Portal, registration form and checklist
5.
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2. Explanation of new DGR category for sheds
3. Charity registration steps
4. Charity Portal, registration form and checklist
5. Charities’ ongoing obligations
What is a Deductible Gift Recipient?
What is a Deductible Gift Recipient (DGR)

“A Deductible Gift Recipient is an entity that can receive tax deductible gifts.”
What is a Deductible Gift Recipient (DGR)

• Donors can deduct donation amount from taxable income.
• For example: “Donations of $2 or more are tax deductible …”
• Several DGR categories, including new one for community sheds
The ACNC has a specific role when it comes to Deductible Gift Recipients. This role is different to that of the ATO. It is important to remember these different roles and responsibilities.
The ACNC, ATO and DGR

**ACNC** registers charities

**ATO** applies tax concessions

ACNC passes charity’s details onto ATO. ATO applies charity tax concessions and DGR endorsement if the charity is eligible.
What is the change?
The new DGR category for Sheds

What is it?
• Community sheds now have their own DGR category.

Who does it affect?
• Eligible community sheds
DGR eligibility for community sheds

CONTACT THE ATO FOR INFORMATION AND SUPPORT ABOUT 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

Community sheds 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

Visit ato.gov.au/communitysheds

A dedicated ATO 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 with the ATO

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
If your shed is already a registered charity ...
If your shed is already a registered charity, but is seeking DGR endorsement, apply directly to the ATO.

Use the application form on ATO website.
If your shed is already endorsed as HPC/PBI

Some sheds may already have DGR endorsement as a Health Promotion Charity (HPC) or Public Benevolent Institution (PBI). These categories have different requirements to the new community sheds category.
If your shed is already endorsed as HPC/PBI

While it is easier for sheds to retain the status quo, it is important to know that the ACNC is reviewing charities with DGR endorsement.
The ACNC’s DGR reviews

- ACNC reviewing charities with DGR endorsement to check eligibility.
- Sheds no longer eligible for existing registration or DGR endorsement may get picked up in the review.
DGR Reviews

• Use ACNC worksheet to review your shed’s eligibility.
• Mainly yes/no questions.
• If you are eligible, maintain the subtype. But if you aren’t ...
DGR Reviews

- Update your charity subtype online via ACNC Charity Portal
- Apply to ATO for DGR endorsement in new community sheds category.

More info: acnc.gov.au/DGRreviews
Before we go any further ...
Sheds who want to take up this new DGR category will have to be registered as charities with the ACNC.

And sheds should ensure that registering with the ACNC as a charity is right for them.
Pause ... and think

• Is your shed interested in attracting donations from the public?
• Does your shed want to pursue fundraising activities?

If it does, then this process is one that your shed should pursue.
But remember, if this is right for you, you will need to register as a charity.
Ongoing obligations
Charities’ ongoing obligations to the ACNC

Notify the ACNC of changes:
• to your shed’s name
• its Address For Service
• its Responsible People

Report annually through the Annual Information Statement.
Charities’ ongoing obligations to the ACNC

Keep records:
• Financial records
• Operational records

Comply with ACNC Governance Standards and External Conduct Standards.
Standard 1: Purposes and not-for-profit nature
Standard 2: Accountability to members
Standard 3: Compliance with Australian laws
Standard 4: Suitability of Responsible People
Standard 5: Duties of Responsible People

acnc.gov.au/governancestandards
A rundown of charities’ ongoing obligations can be found at:
acnc.gov.au/ongoingobligations
Registering as a charity

To be a charity, a community shed must:

• be not-for-profit
• have only charitable purposes for the public benefit
• not have a disqualifying purpose
• not be an individual, political party or government agency
Registering as a charity

In addition, your community shed must:

• have an ABN
• comply with ACNC Governance Standards (and External Conduct Standards if operating outside Australia)

More: acnc.gov.au/whocanapply
Complete our registration checklist before you start your online registration process.

acnc.gov.au/registrationchecklist
Activities
Describe your shed’s activities and how they work towards your purpose or aims.

Beneficiaries
Know which groups in the community, or parts of society, your shed aims to help.
Registration checklist

Responsible People

• Full list of people responsible for governing your shed.
• All their details - name, DOB, contact details, position within your organisation.
Sheds must have a governing document before it can be registered.

Most already will. If your shed is incorporated, you will have one. It might be called your ‘model rules’ or ‘constitution’.
Your governing document

Governing document must include:

• Shed’s legal name
• Shed’s charitable purposes - aims or goals
• That the shed operates as a not-for-profit
• Rules and processes outlining how the shed makes decisions, it governed and would be wound up
Sample clause for charitable purposes

The [organisation] is established to be a charity whose purpose is to advance [health/social or public welfare] by operating a [men’s/women’s/community] shed to:

- Improve the health of [men/women] who are at risk of health issues arising from loneliness and isolation
- Facilitate programs that address mental, physical and emotional health issues in [men/women]
- Provide meaningful activities where [men/women] can participate in the company of others to relieve isolation and loneliness
- To undertake charitable activities for the benefit of the broader community
Applying for registration in the Portal

Sheds can apply for charity registration through the ACNC Charity Portal. Visit charity.acnc.gov.au.

But if you haven’t previously used the Portal, visit acnc.gov.au/charityportal first.
To start the registration process, click on the ‘Apply to register a new charity’ button in the ACNC Charity Portal.
More information for community sheds

Refer to the ACNC’s community sheds page for further detail on the changes, as well as links to important information and any updates that might occur:

acnc.gov.au/communitysheds
Top Tips

1. Remember the different roles of the ACNC and ATO in this process.

2. Refer to the ATO’s community sheds page and watch the webinar.
Top Tips

3 Consult the registration checklist before starting your registration.

4 Charity registration is just a first step. Remember your ongoing obligations.
Top Tips

5 Take note of the ACNC Governance Standards.
Stay in touch

- Web guidance and publications
- The Charitable Purpose e-monthly
- Webinars - acnc.gov.au/webinars
- Podcasts - acnc.gov.au/charitychat
- ACNC Advice Services: advice@acnc.gov.au

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Questions, comments, feedback: education@acnc.gov.au