



# Starting a not-for-profit (NFP)

Setting up a NFP, including types, registrations and endorsement for tax concessions and deductible donations.

## Starting an NFP



Getting your NFP up and running, tax concessions, deductible gift recipient endorsement and legal structures.

## Know your legal structure



Important information on choosing an appropriate legal structure when you set up a not-for-profit organisation.

## What type of NFP is your organisation?



The main types of NFPs are charities, NFPs that self-assess as income tax exempt and taxable NFPs.

## NFP governing documents



Not-for-profit (NFP) organisations are required to maintain governing documents that demonstrate they operate as an NFP.

## Register your NFP



Outlines the registrations you may need so your organisation can

## **Tax concessions for not-for-profits**



An introduction to the range of tax concessions available to not-for-profit (NFP) organisations.

## **Getting endorsed for tax concessions or as a DGR**



Introduces the 2 types of endorsement - charity tax concessions and deductible gift recipient (DGR).

## **Other registrations for not-for-profits**



The licences, permits and non-tax registrations your not-for-profit (NFP) organisation may need to operate.

## **In detail**



Detailed information about getting started as a not-for-profit organisation.

QC 33586

# **Starting an NFP**

Getting your NFP up and running, tax concessions, deductible gift recipient endorsement and legal structures.

**Last updated** 13 November 2024

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This page provides an overview of the process for getting your NFP up and running, about tax concessions, deductible gift recipient endorsement and legal structures. For more detailed information follow the links at the end of the page.

An [NFP](#) organisation is an organisation that is operating for its purpose and not for the profit or gain (either direct or indirect) of its individual members.

NFP organisations fall within two broad categories:

- charities
- other NFP organisations that are not charities, for example, most sporting and recreational clubs, community service organisations, professional and business associations and social organisations.

Charities must register with the Australian Charities and Not-for-profits Commission (ACNC) before they can be endorsed by us for tax concessions or apply for certain categories of deductible gift recipient (DGR) status.

Other NFP organisations that are not charities may be able to self-assess whether they are income tax exempt or taxable and whether they will have access to other tax concessions. They will need to be endorsed by us to obtain DGR status.

## **Purpose**

A purpose is what your NFP has been set up to achieve or what your activities work toward.

To be a charity, all of your NFP's purposes must be charitable, except purposes that are 'incidental or ancillary to' the charitable purposes.

## **Before you start an NFP organisation**

Focus on what you want to achieve. Is setting up a new NFP organisation or charity the best way to achieve your goals? There may be an existing charity or NFP organisation that already does what you want to do or that may take on your idea as a project that it can support.

You should consider:

- What will your organisation try to achieve?
- What will its main activities be?
- What programs or services will you provide?
- Who is your target audience?
- Who will benefit from the organisation's activities and programs?
- Why is there a need for this new organisation?
- How long will your NFP organisation or charity last? Will it be for a one-off short-term project or operating on an ongoing basis?

## **The role of legal structures**

The legal structure you choose should meet your organisation's needs now and into the future.

Your organisation's legal structure will affect many things, such as:

- its legal identity (whether it can be sued)
- its governance structure (who makes what types of decisions)
- who is liable for its debts and its specific responsibilities
- what its reporting or other compliance obligations are.

Legal structures commonly used by NFP organisations include unincorporated associations, incorporated associations, companies, cooperatives, Indigenous corporations and trusts. Different legal structures have different reporting requirements and tax obligations.

## **Role of the ATO**

When you start an NFP you may need to interact with us and other organisations. The role of the ATO for NFPs is to:

- provide endorsement of NFPs as deductible gift recipients
- provide endorsement for charity tax concessions
- register your NFP for any applicable taxes eg PAYG, GST and FBT
- provide advice and guidance over the phone or in writing
- ensure compliance with tax obligations and concessions
- consult with the sector through the [Not-for-profit Stewardship Group](#).

## About tax concessions

Depending on the type of NFP organisation, different tax concessions are available and the process for accessing each concession varies.

Charities:

- must be endorsed by us to access charity tax concessions.

Other NFP organisations:

- can generally self-assess – that is, work out for themselves – whether they are entitled to tax concessions.

The tax concessions NFPs may be entitled to access include:

- income tax exemption
- fringe benefits tax (FBT) exemption or rebate
- goods and services tax (GST) concessions
- deductible gift recipient (DGR) endorsement
- refund of franking credits.

To access various concessions and comply with your organisation's tax obligations, your organisation may need to register for an Australian business number (ABN), GST, FBT, pay as you go (PAYG) withholding, fuel tax credits or other taxes.

In addition to tax registrations, your organisation may need other licences, permits or registrations to operate.

We recommend you review your organisation's entitlement to tax concessions on an annual basis and whenever there is a change in your structure or operations. We provide worksheets to help you review your organisation's entitlement.


## About deductible gift recipients (DGR)

When you receive donations to support your organisation, your supporters can claim a tax deduction if you have been endorsed by us as a deductible gift recipient (DGR).

All organisations, including charities, must be endorsed by us as a DGR if they want their donors to be able to claim a tax deduction.

## Registration process

To register your NFP organisation follow these steps:

1. Determine or understand your legal structure.
2. Determine if you're an NFP.
3. Register your organisation with the Australian Government to obtain an ABN. At the same time, you can also register for GST, FBT, PAYG withholding if your organisation requires it.
4. Determine if you need a [director identification number](#)  (director ID).

### See also

- [Accessing online services with Digital ID and RAM](#)

## Endorsement process in brief

Endorsement is the approval process charities must follow if they want to access tax concessions. Also, specific types of charities and other NFP organisations, and some funds, authorities and institutions operated by NFP organisations, may be endorsed as deductible gift recipients (DGRs).

### Charities

1. If you have charitable purposes you must apply to register as a charity with the Australian Charities and Not-for-profit Commission




(ACNC) to access charity tax concessions.

2. Apply for endorsement for charity tax concessions and/or apply to us to be endorsed as a DGR. You can apply for charity tax concessions and DGR status when you apply for charity registration with the ACNC, they will forward the application to us.
3. If you are not eligible to be registered as a charity with the ACNC you may still be eligible for some tax concessions, including income tax and FBT concessions, through self-assessment.
4. If you are unhappy with our response (for example, if we refuse your DGR endorsement or endorsement as a tax concession charity) you can object.
5. You should continue to review your income tax status and entitlements regularly and notify us if anything changes.

## Other NFPs that are not charities

1. Determine if you are entitled to self-assess your eligibility for tax concessions, including income tax and FBT concessions. Not all NFP organisations are eligible for tax concessions.
2. Determine if you can apply to be endorsed as a DGR. There are a limited number of categories for non-charitable DGR's.
3. You should continue to review your income tax status and entitlements regularly and notify us if anything changes.

### Next steps

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- [What type of NFP is your organisation?](#)
- [What tax concessions are available?](#)
- [Determine if you need a director ID](#) 
- [Register your NFP](#)
- [Getting endorsed](#)
- [Getting help](#)
- [Not-for-Profit Law](#)  provides legal information and advice
- [Our Community](#)  offers a range of help sheets for new organisations

## Watch

Media:Charities

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiunrecu4b>

QC 52482

# Know your legal structure

Important information on choosing an appropriate legal structure when you set up a not-for-profit organisation.

**Last updated** 3 July 2018

When setting up an NFP organisation, it is important to choose an appropriate legal structure as it will affect:

- the way you hold meetings
- the minimum number of members
- reporting requirements
- tax obligations
- cost and other considerations.

When choosing a structure, make sure you understand the responsibilities that go with that structure. Your legal structure will affect many things, such as its legal identity (whether it can be sued), its governance structure (who makes what types of decisions), where



it operates, who is liable for its debts, and its specific responsibilities, such as what its reporting or other compliance obligations are.

You may want to seek professional advice to help you to make an informed decision.



## You need to consider

- Where will the NFP organisation operate?
- Will there be a changing of membership?
- What is the nature of the activities?
- How will the organisation raise money?
- What will be the size of your NFP organisation or charity and how complex will its activities be?
- Will you have employees or volunteers?
- What accountability will you have to your members and the community?

Different types of NFP legal structures include:

- Unincorporated association
- Incorporated association
- Company
- Cooperative
- Indigenous corporation
- Trust

### See also:

- [Overview of legal structures](#)
- [ACNC - Legal structure](#) 
- [Not-for-Profit Law](#)  - provides legal information and advice

# What type of NFP is your organisation?

The main types of NFPs are charities, NFPs that self-assess as income tax exempt and taxable NFPs.

**Last updated** 30 June 2025

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## Types of NFP organisations

For tax purposes, the main types of not-for-profits (NFPs) are:

- charities
- NFPs that self-assess as income tax exempt
- taxable NFPs.

Depending on the type of NFP, your organisation may be eligible for a range of tax concessions. Tax concessions include:

- income tax exemption
- fringe benefits tax and GST concessions, and
- deductible gift recipient (DGR) status.

NFPs (including charities) are organisations that operate for purpose and not for the profit or gain (either direct or indirect) of individual members. All profits must go back into the services the organisation provides and must not be distributed to members, even if the organisation winds up. They can include:

- art centres
- church schools
- churches
- community child care centres
- cultural organisations
- environmental protection organisations
- neighbourhood associations
- public museums and libraries
- scholarship funds
- scientific organisations
- scouts
- sports clubs
- surf lifesaving clubs
- traditional service clubs.

## Governing documents

NFPs are required to maintain [governing documents](#) that demonstrate they operate on a NFP basis, including organisations that self-assess their income tax exemption. They must have and include clauses that prevent the NFP from distributing income or assets to members, both while it operates and when it winds up.

## Is your organisation a charity?

Generally, charities are eligible for more concessions than other NFPs. Charities must be registered with the Australian Charities and Not-for-profits Commission (ACNC) and endorsed by us to access charity tax concessions.

To be a [charity](#), your organisation must:

- be a not-for-profit organisation
- have a charitable purpose

- be for the public benefit (other than where the charitable purpose is the relief of poverty).

Examples of charities include:


- religious groups
- not-for-profit aged care homes
- homeless shelters
- disability service organisations
- universities and colleges
- animal welfare organisations
- artistic or cultural groups.

Charities can be further broken down into the following types:

- [Public Benevolent Institution \(PBI\)](#)
- [Health Promotion Charities \(HPC\)](#)
- other charities.

PBIs and HPCs receive wider tax concessions than other charities.

Religious institutions that are registered with the ACNC for the charity subtype 'advancing religion' may be entitled to [access additional tax concessions](#).

More information on what is a charity is available on the [ACNC website](#) .

## Taxable NFPs and NFPs that aren't charities

Some NFP organisations that aren't charities are able to [self-assess as income tax exempt](#) if they fall into one of the 8 categories outlined in Division 50 of the *Income Tax Assessment Act 1997 (ITAA 1997)*. NFPs that seek to advance the common interest of their members and don't benefit the broader community won't generally meet the requirements for income tax exemption.

If your organisation is eligible to self-assess, it doesn't need to be endorsed by us to access the concession.

NFP organisations that are not eligible to self-assess as income tax exempt are taxable, but may be entitled to special rules for calculating taxable income, lodging income tax returns and special rates of tax.

[Taxable NFP organisations](#) may have to lodge an income tax return or notify us that one is not necessary.

## Deductible gift recipients and NFPs

Some charities, clubs, societies and associations are also [deductible gift recipients \(DGRs\)](#).

DGRs are organisations that are entitled to receive tax-deductible gifts. DGRs are either:

- endorsed by us
- listed by name in the tax law.

Tax deductions for gifts are claimed by the person or organisation that makes the gift. Gifts are also referred to as donations.

To be entitled to receive tax-deductible donations, an organisation (including a charity) must be a DGR.

QC 52485

## NFP governing documents

Not-for-profit (NFP) organisations are required to maintain governing documents that demonstrate they operate as an NFP.

**Last updated** 26 May 2025

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## What is a governing document

Governing documents are the formal documents that set out your organisation's:

- purpose
- NFP character
- requirements for how long it is governed, operates and makes decisions.

Governing documents can also be called:

- rules or articles of association
- constitutions
- rule books
- deeds of trust.

NFP organisations seeking access to tax concessions, either by ATO endorsement or self-assessment, must have appropriate clauses in governing documents to reflect their NFP character.

It's important that your NFP's administrators, both current and incoming, know where your NFP keeps its governing documents so they can access them when needed.

## Governing document requirements

To demonstrate to us that it operates on an NFP basis, an NFP is required to have clauses in its governing documents that prohibit distribution of income or assets for the benefit of specific people – both while it operates and when it winds up.

The organisation needs to have sufficient controls in place to ensure members and other private persons don't receive the income, property or assets of the organisation (other than as reimbursement for

services they have provided or for expenses incurred on behalf of the organisation).

## **Example: acceptable clauses for governing documents**

### **Not-for-profit clause**

'The assets and income of the organisation shall be applied solely in furtherance of its above-mentioned objects and no portion shall be distributed directly or indirectly to the members of the organisation except as bona fide compensation for services rendered or expenses incurred on behalf of the organisation.'

### **Dissolution clause**

'In the event of the organisation being dissolved, the amount that remains after such dissolution and the satisfaction of all debts and liabilities shall be transferred to another organisation with similar purposes which is not carried on for the profit or gain of its individual members.'

## **When should you review your governing documents?**

To confirm your organisation is operating for purpose, you should review its governing documents:

- annually, and
- whenever there is a major change to structure or activities.

Most income tax exempt entities:

- are required to meet the [governing rules condition](#)
- should review their governing documents to confirm they are compliant with all substantive requirements.


You may need to update your NFP's governing documents if:

- its purposes have changed since being established

- they don't have appropriate clauses that prohibit the distribution of income or assets to members.

An annual general meeting (AGM) can be the ideal time to review your NFP's governing documents, so any amendments can be noted in the AGM minutes.

## How to update your governing documents

Your state or territory government may have specific requirements when updating your governing documents. For further information, refer to [How to make changes to your rules or constitution](#) .

## Self-assessing as income tax exempt

An NFP self-assessing its eligibility for income tax exemption must not distribute income or assets to members.

This must be demonstrated by including clauses in the NFP's governing documents that prohibit the distribution of income or assets to members both:

- while it operates, and
- when it winds up.

## NFP self-review return requirement

Non-charitable NFPs with an active Australian business number (ABN) need to lodge an annual [NFP self-review return](#) to notify us of their eligibility to self-assess as income tax exempt.

When completing the NFP self-review return, NFPs are required to answer 'yes' or 'no' to the question: 'Does the organisation have and follow clauses in its governing documents that prohibit the distribution of income or assets to members while it is operating and winding up?'

This is an important requirement that must be met to self-assess as income tax exempt.

NFPs must review their governing documents before completing the self-review return, to ensure they are answering this question accurately.



If an NFP's governing documents don't have this clause, the governing documents must be updated to include the clause.

If your NFP doesn't have and follow these clauses in its governing documents, it can still self-assess as income tax exempt for the 2023–24 and 2024–25 income years **provided** it has not distributed any assets or income to members.

To support NFPs to meet this requirement, we've extended the due date that NFPs must update their governing documents from 30 June 2025 to 30 June 2026.

If your NFP has not yet updated its governing documents and has not made distributions of income or assets to members, you can now answer 'Yes' to Question 3 in the 2024–25 NFP self-review return. This will automatically grant your NFP extra time until 30 June 2026 to update its governing documents and to continue to self-assess as income tax exempt.

For guidance on answering the governing documents question in the NFP self-review return:

- open the [NFP self-review return question guide](#)
- navigate to the section titled 'Prohibiting the distribution of income or assets to members' and read the information provided underneath it.

QC 104047

## Register your NFP

Outlines the registrations you may need so your organisation can access tax concessions and comply with tax obligations.

**Last updated** 13 November 2024

Your organisation must have an ABN if you are:

- required to register for tax obligations
- seeking endorsement as a registered charity for tax concessions

- seeking endorsement as a deductible gift recipient (DGR)

To comply with your organisation's tax obligations, your organisation may need to register for:

- goods and services tax (GST)
- fringe benefits tax (FBT)
- pay as you go (PAYG) withholding
- fuel tax credits
- a tax file number if you are required to lodge income tax returns.

**See also:**

- [Registering for GST and other taxes](#)
- [Other registrations](#)


## Get an ABN

When you apply for your ABN you will be asked to identify your organisation's entity and organisation type. Selecting the correct entity or organisation type is important. If you select the incorrect option on your application, you may need to apply for a new ABN for your organisation.

For example, if your organisation is a single entity, it should register for one ABN, regardless of the number of enterprises that it carries on. With the exception of a partnership arrangement, if your club or charity is a collection of separate entities carrying on one or more enterprises, each entity in your organisation should register for a separate ABN.

If your organisation is a subsidiary of a governing body, we advise that you discuss ABN registration with your governing body.

**Next steps:**

- Apply electronically through the [Australian Business Register](#) 
- Apply on a paper form – *ABN registration for companies, partnerships, trusts and other organisations* (NAT 2939) – which is available by phoning **13 92 26**.
- [Set up Digital ID and Relationship Authorisation Manager \(RAM\)](#)
- [ABN registration – selecting your entity and organisation type](#)

# Tax concessions for not-for-profits

An introduction to the range of tax concessions available to not-for-profit (NFP) organisations.







**Last updated** 19 June 2017
















A range of tax concessions are available to NFP organisations.

The table below provides a summary of tax concessions and the types of NFP organisations that can access them. Your organisation may need to meet certain requirements before it can access a concession

## Summary of tax concessions

**Table: Summary of tax concessions and types of NFP organisations**

Tax concessions	Types of NFP organisations		
	Public benevolent institutions and Health promotion charities	Charities	Other NFP organisations
<a href="#">Income tax exemption</a>	 Yes	 Yes	 Yes Certain types only
<a href="#">FBT exemption</a> (subject to capping threshold)	 Yes	 No	 Yes Certain types only – Public and NFP hospitals and public ambulance services are

			eligible for this concession
<a href="#">FBT rebate</a>	 No	 Yes	 Yes Certain non-government NFP organisations are eligible
<a href="#">GST concessions</a> for charities and gift deductible entities	 Yes	 Yes	 Yes Certain types - the organisation must be a deductible gift recipient
<a href="#">GST concessions</a> for NFP organisations	 Yes	 Yes	 Yes
<a href="#">DGR endorsement</a> – the organisation must be endorsed by us unless the organisation is listed by name in tax law	 Yes	 Yes Certain types only	 Yes Certain types only
<a href="#">Refunds of franking credits</a> – the organisation must be a Charity endorsed by us or a DGR or an organisation is listed by name in tax law	 Yes	 Yes	 Yes Certain types only

**Next steps:**

- [Register your NFP](#)

**See also:**

- [Religious institutions](#)
- [Non-profit companies and live-in residential carers](#)

QC 33596

## Getting endorsed for tax concessions or as a DGR

Introduces the 2 types of endorsement - charity tax concessions and deductible gift recipient (DGR).

**Last updated** 26 April 2018

Your organisation must be endorsed by us if you want to:

- access tax concessions as a charity, and/or
- receive deductible gift recipient status.

## What are the types of endorsement?

There are two types of endorsement:

- [charity tax concessions](#)
- [deductible gift recipient \(DGR\)](#).

Being endorsed for charity tax concessions does not mean your organisation is automatically endorsed as a DGR. You must seek endorsement for both.

**Watch:**

### **Is my organisation eligible for charity tax concessions?**



Charities must be endorsed by us if they want to access charity tax concessions. Charity tax concessions include income tax exemption, GST concessions and FBT concessions. Charities that are endorsed to access any of these concessions are known as tax concession charities or TCCs.

### **Is my organisation eligible for DGR endorsement?**



How a not-for-profit organisation can register as a deductible gift recipient (DGR) for donor tax deductions.

QC 33782

## **Is my organisation eligible for charity tax concessions?**

Charities must be endorsed by us if they want to access charity tax concessions. Charity tax concessions include

income tax exemption, GST concessions and FBT concessions. Charities that are endorsed to access any of these concessions are known as tax concession charities or TCCs.

**Last updated** 19 June 2017

Charity tax concessions endorsement is where we approve an organisation to access concessions such as income tax exemption, GST concessions and FBT concessions.

Charity tax concessions endorsement is only available to charities registered with the Australian Charities and Not-for-profits Commission (ACNC). If your NFP organisation is a charity that chooses not to register with the ACNC, it cannot apply for endorsement with us and it will not be exempt from income tax.

To be endorsed to access charity tax concessions, your charity must:

- have an Australian business number (ABN)
- be a registered charity with the ACNC
- meet any requirements relating to the particular charity tax concession you are seeking.

**Next steps:**

- [Rules and tests for charity tax concessions endorsement](#)
- [Apply for charity tax concessions endorsement](#)
- [Review your charity tax concessions endorsement](#)

## **Apply for charity tax concessions endorsement**




Find out how you can apply for tax concession charity (TCC) endorsement.


# Apply for charity tax concessions endorsement

Find out how you can apply for tax concession charity (TCC) endorsement.

**Last updated** 11 May 2022

There are two ways to apply for tax concession charity (TCC) endorsement:

- If you not registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply for charity registration and charity tax concessions on the ACNC application form. Further information about charity registration can be found at [Who can apply to be registered?](#) 
- If you are already registered as a charity with ACNC, you can complete the [Application for endorsement as a tax concession charity](#) .

If you are already endorsed for charity tax concessions and require a copy of your endorsement notice, phone our dedicated NFP Premium Advice Service on **1300 130 248**. You can check whether you are endorsed by searching your organisation's name or ABN on [ABN Lookup](#) .

QC 46209

# Deductible gift recipient endorsement

How a not-for-profit organisation can register as a deductible gift recipient (DGR) for donor tax deductions.

**Last updated** 4 July 2025



## DGR categories

Deductible gift recipients (DGRs) are either endorsed by the ATO or listed by name in the tax law.

## Deductible gift recipient reforms

How government reforms impact administration and oversight of organisations with deductible gift recipient (DGR) status.

## Apply for DGR endorsement

How your not-for-profit organisation can apply for deductible gift recipient (DGR) endorsement.

## Rules and tests for DGR endorsement

You must meet certain requirements to be endorsed as a deductible gift recipient (DGR).

## Progress of your endorsement application

See what happens after your charity lodges an endorsement application to be a deductible gift recipient (DGR).

QC 46212

## DGR categories

Deductible gift recipients (DGRs) are either endorsed by the ATO or listed by name in the tax law.

**Last updated** 4 July 2025

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[Listed by name DGRs](#)

## DGRs endorsed by the ATO

Not-for-profit organisations endorsed as deductible gift recipients (DGRs) are entitled to receive gifts which are deductible from the donor's income tax. DGRs are either:

- endorsed by us and fall into a general DGR category
- in exceptional cases, listed by name in the tax law.

There are 52 DGR endorsement categories, each with specific criteria. Eligibility is based on the organisation's purpose or the purpose of a fund, authority or institution it operates.

DGRs are grouped in tables in the tax law. Each DGR category has a unique item number you need to add to your application form.

Some of the categories listed in the DGR tables have a gift condition, meaning that:

- the tax law adds an extra condition on the gifts that can be received
- the gift may only be tax-deductible if it is made within a specific period or for a specific use.

From 14 December 2021, all non-government DGRs are required to register as a charity, except for ancillary funds or DGRs specifically listed in tax law.

For more information, see [DGRs required to be a registered charity](#).

## DGR endorsement categories

The [DGR tables](#) list the endorsement categories and are grouped as follows:

- [health](#)

- [education](#)
- [research](#)
- [welfare and rights](#)
- [defence](#)
- [environment](#)
- [the family](#)
- [international affairs](#)
- [sports and recreation](#)
- [cultural organisations](#)
- [fire and emergency services](#)
- [ancillary funds](#)

## Listed by name DGRs

If your organisation does not fit into any of the DGR categories, you may apply to be specifically listed in the tax law. Organisations are only listed by name in exceptional circumstances. Parliament must amend the tax law to include the name of the organisation in the law.

DGRs listed by name in the tax law include organisations such as the Australian Sports Foundation and Amnesty International Australia.

The ATO does not process requests for listing a DGR by name. All requests must be in writing to the [Treasurer](#). See how to apply at [Treasury's DGR specific listing](#) [↗](#).

DGRs listed by name are sorted into groups in the tax law and listed in a table for each recipient group, as follows:

- [health](#)
- [education](#)
- [research](#)
- [welfare and rights](#)
- [defence](#)
- [environment](#)

- [industry, trade and design](#)
- [the family](#)
- [international affairs](#)
- [sports and recreation](#)
- [philanthropic trusts](#)
- [cultural organisations](#)
- [fire and emergency services](#)
- [other recipients](#)

QC 46213

## Deductible gift recipient reforms

How government reforms impact administration and oversight of organisations with deductible gift recipient (DGR) status.

**Last updated** 9 July 2025

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## Why DGR reforms were made

The government has announced several reforms to the administration and oversight of organisations with deductible gift recipient (DGR) status.

These changes are designed to:

- strengthen governance arrangements
- reduce administrative complexity
- ensure continued trust and confidence in the not-for-profit sector.

## DGRs to be registered as a charity

On 13 September 2021, the [Treasury Laws Amendment \(2021 Measures No. 2\) Act 2021](#) [↗](#) became law.

As a precondition for DGR endorsement, this Act amends the *Income Tax Assessment Act 1997* to require a fund, authority or institution to be either:

- a registered charity
- an Australian Government agency
- operated by a registered charity or an Australian Government agency.

Before the amendments, a majority of DGR categories required non-government organisations to be [registered as charities](#). The amendments extended this requirement to 11 general DGR categories. This measure doesn't apply to ancillary funds or DGRs specifically listed in the tax law.

For more information, see:

- [Requiring DGRs to register as charities](#) [↗](#) – Treasury submission exposure draft
- [DGRs and the ACNC](#) [↗](#) – Australian Charities and Not-for-profits Commission (ACNC) factsheet
- [Start a charity](#) [↗](#) – what you need to do before you start a charity.

## DGR registers reform

On 28 June 2023, the *Treasury Laws Amendment (Refining and Improving our Tax System) Act 2023* became law.

This Act amends the *Income Tax Assessment Act 1997* to transfer administrative responsibility of 4 unique DGR categories from other government departments to the ATO.

These changes started on 1 January 2024 and repealed provisions that required each of the 4 departments to maintain a separate register.

From 1 January 2024, transitional provisions apply to those organisations that were already DGR endorsed in one of the 4 unique DGR categories before 1 January 2024. These organisations remain endorsed if they continue to meet eligibility criteria.

Transitional provisions also apply to those organisations that had an in-progress application with one of the 4 government departments before 1 January 2024. These applications were transferred to us from 1 January 2024.

For more information, see [DGR registers reform transitional provisions](#).

## Before the transition

Before 1 January 2024, the 4 unique DGR categories were administered by other Australian Government departments as follows:

- **Register of Cultural Organisations** – Department of Infrastructure, Transport, Regional Development, Communications and the Arts
- **Register of Environmental Organisations** – Department of Climate Change, Energy, the Environment and Water
- **Register of Harm Prevention Charities** – Department of Social Services
- **Overseas Aid Gift Deductibility Scheme** – Department of Foreign Affairs and Trade.

## After the transition




From 1 January 2024, the ATO started assessing eligibility for DGR endorsement for:

- [cultural organisations](#)
- [environmental organisations](#)

- [harm prevention charities](#)
- [developing country relief funds or organisations](#) (previously known as overseas aid funds).

These changes mean we now administer all 52 DGR categories set out in Division 30 of the *Income Tax Assessment Act 1997*.

For more information on the transition, see:

- [Treasury Laws Amendment \(Refining and Improving Our Tax System\) Act 2023](#) 
- [Streamlining the Deductible Gift Recipient Registers](#)  – the Minister's media release on 29 June 2023
- [Deductible Gift Recipient \(DGR\) Registers Reform](#)  – outcomes on Treasury consultation held between 19 January and 19 February 2023 [DGR categories](#)
- [DGR registers reform transitional provisions](#)

## DGR status for community charities

On 28 June 2024, the [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Act 2024](#)  became law.


This Act amends the *Income Tax Assessment Act 1997* and *Taxation Administration Act 1953* to establish:


- 2 new general DGR categories for
  - community charity trust
  - community charity corporations
- a requirement for a Treasury Minister to formulate guidelines for the 2 new DGR categories.

These amendments started on 29 June 2024.


To be eligible for DGR endorsement as a community charity trust or corporation, a trust or company must, among other requirements, be specified in a ministerial declaration in force. Entities seeking to be specified in a ministerial declaration should contact Treasury at [dgr@treasury.gov.au](mailto:dgr@treasury.gov.au).


## Guidelines

Treasury opened public consultation on the exposure draft guidelines and accompanying explanatory material on 5 November 2024. The consultation period ended on 3 December 2024. You can refer to the outcomes of Treasury's consultation at [Building Community – ministerial guidelines for community foundations](#) .

The finalised guidelines were registered on 24 February 2025 and are accessible on the [Federal Register of Legislation website](#) .

## Background

Originally announced by the previous government in the [Budget March 2022–23 – Budget Paper No. 2: Budget Measures](#) , it was proposed that the tax law be amended to specifically list up to 28 community foundations affiliated with the peak body Community Foundations Australia. The specific listing would be time-limited for 5 years, from 1 July 2022 to 30 June 2027.

A refined model was proposed in the [Budget 2023–24– Budget Paper No. 2: Budget Measures](#)  which includes:

- the removal of the 5-year time limit requirement
- DGR endorsement by the Commissioner of Taxation under new ministerial guidelines.

## More information

For more information, see:

- [Treasury Laws Amendment \(Support for Small Business and Charities and Other Measures\) Bill 2023](#) 
- [Building Community – deductible gift recipient status for community foundations](#) 
- [Building Community – ministerial guidelines for community foundations](#) 
- [Taxation Administration \(Community Charity\) Guidelines 2025](#) .

## Subscribe to our newsletter for updates

Subscribe to our monthly [not-for-profit newsletter](#) to keep up-to-date with:

- our new and refreshed guidance



- the progress of the proposed amendments
- how to meet your not-for-profit's tax and super obligations.

QC 105148

## Apply for DGR endorsement


How your not-for-profit organisation can apply for deductible gift recipient (DGR) endorsement.

**Last updated** 9 July 2025

There are two ways to apply to us for deductible gift recipient (DGR) endorsement:

- If you are currently applying for registration as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply to us for DGR endorsement on the ACNC's registration application form.
- If you already have an ABN, and you're either already registered as a charity or are not required to be for DGR endorsement, you can complete our [Application for endorsement as a deductible gift recipient](#).
  - If there is more than one fund, authority or institution for which you want endorsement, use a separate application for each.

From 14 December 2021, non-government DGRs are required to be a registered charity, except for ancillary funds or DGRs that are specifically listed in tax law. For more information, see [DGRs required to be a registered charity](#).

If you are already DGR endorsed and require a copy of your endorsement notice, phone our dedicated NFP Premium Advice Service on **1300 130 248**. You can check whether you are endorsed by searching your organisation's name or ABN on [ABN Lookup](#) .

## Progress of your DGR endorsement application

See what happens after your charity lodges an endorsement application to be a deductible gift recipient (DGR).

**Last updated** 4 July 2025

### DGR endorsement notification

If your application for endorsement as a deductible gift recipient (DGR) is approved, your charity will receive an endorsement notification. This states the type of charity it is and the tax concessions it has been endorsed to access.

The [ABN Lookup](#) on the Australian Business Register website displays information about charities that have been endorsed to access charity tax concessions. If you don't want your information publicly displayed, you will need to waive your entitlement to the charity tax concessions.

### Delays in notification

If you believe we are taking too long to notify you about your charity's endorsement, you can have your application treated as if it has been refused. The deemed refusal will trigger formal review rights.

The earliest you can notify us that you want your charity's application treated as if it had been refused is the later of the:

- end of the 60th day after you made the application
- end of the 28th day after the last day on which you gave us information that we requested.

To treat your application as if it had been refused, we must receive written notice from you that you want it treated this way. Your application will be deemed to be refused on the day you give us notice.

### Refusal of applications

If your application for endorsement is refused, we will provide you with a clear explanation of our decision. At your request, we will review any of our decisions or actions affecting your organisation and try to resolve any problems quickly and informally. If you want us to do this, you should contact the person handling your case, or the area of the ATO where the decision was made or where the action was taken.

You also have the right under the law to ask for a review by [lodging an objection](#) against the refusal or deemed refusal.

QC 52596

## Other registrations for not-for-profits

The licences, permits and non-tax registrations your not-for-profit (NFP) organisation may need to operate.

**Last updated** 1 November 2021

### On this page

[Australian Charities and Not-for-profits Commission registration](#)

[Registering your business name](#)

[State and territory government registrations](#)

[Council permits](#)

[Director identification number](#)

## Australian Charities and Not-for-profits Commission registration

Charities must be registered with the Australian Charities and Not-for-profits Commission (ACNC) before we can endorse you to access

charity tax concessions.

Different tax concessions are available for charities that also register with the ACNC as a particular subtype of charity, such as a public benevolent institution or a health promotion charity.

To be eligible to be registered as a charity with the ACNC, your organisation must meet **all** of the following conditions:

- be a charity
- have an Australian business number (ABN)
- comply with the governance standards in the *Australian Charities and Not-for-profits Commission Regulation 2013*
- not be included in a written decision made by an Australian government agency, judge or magistrate that lists it as engaging in or supporting terrorism or other criminal activities
- otherwise be eligible to be registered.

Certain organisations cannot be registered as a charity with the ACNC – for example, political parties, government entities, individuals or partnerships.

For information about charity registrations, visit [acnc.gov.au](https://acnc.gov.au) 

## Registering your business name

A business name is simply a name or title under which a person or entity conducts a business.

Generally, your organisation will need to register a business name with the Australian Securities & Investments Corporation (ASIC) if you carry on a business or trade within Australia.

Exceptions to this rule include if the organisation is either:

- a corporation and its operating name is the same as its corporate name
- a partnership and the name is the same as all of the partners' names.

To apply for a registered business name you will need to have applied for or obtained an ABN.

Registered companies and organisations with an Australian registered body number (ARBN) can register their business name when they register for an ABN – go to [Register your new business](#).

Other organisations, including those that already have an ABN, can register a business name by visiting [asic.gov.au](https://asic.gov.au) [↗](#)

## State and territory government registrations

Some organisations need licences to operate. These are usually issued by your state or territory government. Most states have a small business department that can tell you what licences you need and how to get them such as fund-raising or gaming licenses.

Taxes and duties that may be levied by state and territory governments include:

- stamp duty (or duty in the Australian Capital Territory, New South Wales, Queensland, Tasmania, Victoria and Western Australia)
- payroll tax
- land tax.

As the requirements for these taxes and duties vary between states and territories, organisations should seek clarification from their local state or territory revenue office. Enquiries about state and territory taxes should not be directed to the ATO.

States and territories also have their own laws regulating the fundraising activities of NFP organisations.


### See also

- [State and territory taxes](#)
- [State, territory and local government requirements](#) for fundraising
- [Not-for-Profit Law](#) [↗](#) – provides legal information and advice

## Council permits

You may need a council permit to operate your organisation, for example to use a building for a specific purpose, or sell food or dangerous goods. Check any requirements with your local council.

## Director identification number

How your organisation is structured will determine if the organisation's directors will need to apply for a [director identification number](#)  (director ID) from Australian Business Registry Services.

All directors of a company, registered foreign company or Aboriginal and Torres Strait Islander corporation will need a director ID.

Directors of a registered Australian body such as an incorporated association that is registered with the Australian Securities & Investments Commission (ASIC) and trades outside the state or territory in which it is incorporated, will also need a director ID.

To find out more, see [who needs to apply and when](#) .

QC 52488

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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