

#### Deductible Gift Recipient Registers Reform Transitional Provisions

Changes to Deductible Gift Recipient (DGR) categories from 1 January 2024.

Last updated 7 March 2024

#### **New applicants**

Guide to apply for DGR endorsement for new applications.

#### **Transitional provisions**

Changes to the legislation and details on the 4 unique DGR categories impacted.

# Environmental organisations, harm prevention charities and cultural organisations

Transitional provisions apply to your organisation if it meets one of the following scenarios.

#### Overseas aid funds

#### Transitional impacts to your organisation

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Select the scenario that applies to your organisation to view the impact of the transitional provisions.

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#### New applicants

Guide to apply for DGR endorsement for new applications.

Published 12 December 2023

All applicants applying for DGR endorsement on or after 1 January 2024 should refer to Apply for DGR endorsement.

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#### **Transitional provisions**

Changes to the legislation and details on the 4 unique DGR categories impacted.

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The changes take effect from 1 January 2024 and repeal provisions that require each of the 4 government departments to maintain a separate register.

The new law contains transitional provisions to ensure organisations currently endorsed as DGRs under the 4 unique categories continue to be endorsed – if they continue to meet eligibility criteria.

This affects those organisations endorsed prior to 1 January 2024 under the following DGR categories:

- public fund on the Register of Environmental Organisations (item number 6.1.1)
- public fund on the Register of Harm Prevention Charities (item number 4.1.4)
- public fund on the Register of Cultural Organisations (item number 12.1.1)
- overseas aid fund (item number 9.1.1).

The transitional provisions also apply to those organisations with inprogress applications, either seeking:

- entry on one of the 3 registers with the other government departments
- DGR endorsement from the ATO
- declaration of a developing country relief fund
- to be an approved Overseas Aid organisation.

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# Environmental organisations, harm prevention charities and cultural organisations

Transitional provisions apply to your organisation if it meets one of the following scenarios.

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#### **Transitional scenarios**

Organisations with DGR endorsement covers organisations endorsed prior to 1 January 2024 as a DGR for the operation of a public fund on the:

- Register of Environmental Organisations
- Register of Harm Prevention Charities
- Register of Cultural Organisations.

Organisations seeking DGR endorsement covers organisations and their public funds that have all the following:

- are on the Register of Environmental Organisations, Register of Harm Prevention Charities or Register of Cultural Organisations
- have applied for DGR endorsement but have not received written notice that the Commissioner endorses or refuses to endorse the applicant.

Entities seeking entry on the register covers organisations and their public funds that have all the following:

- submitted a request to be entered on the Register of Environmental Organisations, Register of Harm Prevention Charities or Register of Cultural Organisations
- have not been notified by the relevant department of the outcome of the request.

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#### Overseas aid funds

Transitional provisions apply to your organisation if it meets one of the following scenarios.

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#### **Declared developing countries**

Where a declaration by the Foreign Affairs Minister was in force prior to 1 January 2024 that a country be a developing country, then that country will be treated as a developing country under the new law – unless or until the Foreign Affairs Minister makes a declaration under the new law.

#### **Transitional scenarios**

Approved organisations with DGR endorsement covers organisations endorsed prior to 1 January 2024 as a DGR for the operation of an Overseas aid fund.

Approved organisations seeking DGR endorsement covers approved organisations with all the following:

- operate a fund declared to be a developing country relief fund
- have applied for DGR endorsement but have not received written notice that the Commissioner endorses or refuses to endorse the applicant.

Approved organisations seeking declaration of a developing country relief fund covers institutions with all the following:

- have submitted a request for a public fund they have established to be declared a developing country relief fund
- have not been notified by the Department of Foreign Affairs and Trade (DFAT) of the outcome of the request.

Organisations seeking to be approved organisations covers institutions with all the following:

- have submitted a request to the DFAT seeking to be declared as an approved organisation
- have not been notified by the DFAT of the outcome of the request.

#### Transitional impacts to your organisation

Select the scenario that applies to your organisation to view the impact of the transitional provisions.

Last updated 12 December 2023

#### Organisations with DGR endorsement

This applies to environmental organisations, harm prevention charities and cultural organisations.

#### Organisations seeking DGR endorsement

This applies to environmental organisations, harm prevention charities and cultural organisations.

#### **Entities seeking entry on the register**

This applies to environmental organisations, harm prevention charities and cultural organisations.

#### Organisations with DGR endorsement

This applies to overseas aid funds.

#### Approved organisations seeking DGR endorsement

### Organisations seeking declaration of a developing country relief fund

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This applies to overseas aid funds.

### Organisations seeking to be approved organisations by DFAT

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This applies to overseas aid funds. Refer to the list on changes that may impact your organisation:

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# Organisations with DGR endorsement

This applies to environmental organisations, harm prevention charities and cultural organisations.

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Refer to the list on changes that may impact your organisation:

### **Transitional provisions in place from 1 January 2024**

Your DGR endorsement will change from endorsement for the operation of a public fund to endorsement of your whole organisation.

The new law requires you to maintain a **gift fund**, which must only be used for the principal purpose of your organisation. Your public fund will be treated as your gift fund – unless or until you establish a replacement gift fund.

For public funds on the Register of Harm Prevention Charities or the Register of Environmental Organisations, the transitional provisions provide that if your public fund is wound up:

- any surplus assets of the public fund are to be transferred to another gift deductible fund, authority or institution
- unless or until you amend the winding up provisions.

Your existing winding up provisions (which require any surplus assets of your public fund to be transferred to another fund on the register) will be treated as your winding up provisions under the new law, as the Registers will no longer exist.

For registered charities, any transfer must be to another DGR with similar objects, which is charitable at law.

#### Your governing document

Changes to your governing document are **not** required to remain eligible for DGR endorsement under the new law.

However, you may amend your governing document to align it to the new law in due course. For example, by updating your winding up provisions or removing any references to one of the registers.

If you do make changes, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the Australian Charities and Not-for-profits Commission (ACNC). You must notify the ACNC about changes to your governing document. Refer to ongoing obligations to the ACNC ...

#### **Public fund obligations**

The transitional provisions allow you to treat your public fund as your gift fund under the new law.

This means that from 1 January 2024, you can continue to use your public fund as your gift fund unless or until you establish a replacement gift fund.

Unless you make changes, you still need to follow your public fund rules where they are compatible with the new law. For example, requirements in your public fund rules for a majority of responsible persons (to be on the management committee of the fund) is compatible with the new law, so unless or until you make changes to

your public fund rules (or replace them with a new gift fund) you would need to continue with this requirement.

If the new law requires you to do something that is not compatible with your public fund rules the new law applies. For example, the requirement in the new law to issue <u>receipts</u> in the name of your organisation is not compatible with requirements in your public fund rules to issue receipts in the name of the fund, so you would issue receipts in the name of your organisation.

You do not need to make any changes to your public fund rules. If you decide to make changes you should consider:

- removing requirements for the fund to have a specific name (your fund can still have a specific name, but this is no longer a requirement).
- amending the name of the public fund to reflect that it is a gift fund.
- amending any rules relating to the objects and operations of the fund to reflect that:
  - the fund must be maintained and used only for the principal purpose of the organisation
  - all gifts and deductible contributions of money or property for that purpose are made to it
  - any money received by the organisation, because of such gifts or deductible contributions is credited to it
  - it does not receive any other money or property.
- whether amendments are needed to ensure that the organisation
  has appropriate winding up rules to transfer any surplus assets of
  the gift fund to another gift deductible fund, authority or institution
  on the earlier of either the fund being wound up or the DGR
  endorsement being revoked. If the organisation is a registered
  charity, the recipient of the surplus assets of the gift fund must also
  be a registered charity.
- removing any requirement:
  - that receipts are to be issued in the name of the fund (as a DGR you are not required to issue a <u>receipt</u> but if you do you must include certain information)

- for a separate bank account for gifts and deductible contributions (you can still maintain a separate bank account, but this is no longer a requirement)
- that the public must be invited to contribute to the fund (this is no longer a requirement)
- that the fund must be managed by members of a committee, a majority of whom have a degree of responsibility to the general community (this is no longer a requirement)
- to notify the ATO of changes to the fund rules (this is no longer a requirement)
- to inform the former relevant government department of a specific matter such as statistical information or changes, including changes to the membership of the management committee (this is no longer a requirement)
- to comply with rules set by the Treasurer or responsible Minister (this is no longer a requirement)
- that any surpluses assets of the fund on windup must go to another entity listed on a particular register (this is no longer a requirement).

Alternatively, if you choose to replace your public fund with a gift fund, remove your public fund rules in their entirety (including any former department requirements) and add a replacement gift fund.

A <u>policy to not act as a mere conduit</u> is still required if you are a harm prevention charity or environmental organisation.

#### **ABN Look-up**

From 1 January 2024 we will gradually update our systems to reflect that your DGR endorsement for:

- the operation of a public fund ended on 31 December 2023 this will be visible in your Historical details on ABN Look up ☐
- your whole organisation is effective from 1 January 2024 this will be visible in your *Current details* on ABN Look up ☑.

#### **DGR** endorsement notice

You will receive an updated DGR endorsement notice in early 2024.

It will show that you are endorsed under the new category name, either:

- cultural organisation
- · environmental organisation
- · harm prevention charity.

#### **Receipts**

From 1 January 2024, receipts for gifts and deductible contributions to your organisation are to be issued in the name of your organisation and no longer in the public fund name.

For more information about receipts, refer to receipts.

#### Statistical information

**Do not send** your statistical information or return to the ATO or former relevant government department.

From 1 January 2024, you're no longer required to lodge your statistical information or return.

If you have any outstanding statistical information or returns, you can no longer lodge them with the relevant government department or send them to the ATO.

If you're a registered charity, you are required to lodge your **Annual Information Statement I** with the ACNC.

#### Gift fund

If you establish a gift fund, it may either:

- be part of the governing document of your organisation
- have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### Policy to not act as a mere conduit

If you are a harm prevention charity or environmental organisation, you must continue to have a policy of not acting as a mere conduit for the donation of money or property to other organisations, bodies or persons.

Evidence of this policy may be in your organisation's:

- governing document
- in a separate policy document
- stated on your website
- stated on receipts issued to donors.

#### **Environmental organisation entity type**

From 1 January 2024, the requirement that applied to a body corporate or a co-operative society (to principally have members that were bodies corporate or have at least 50 individuals who were financial members who could vote at a general meeting) has been removed.

Under the new law, an environmental organisation must be an institution that is registered as a charity with the ACNC or an Australian government agency.

#### **Notification of changes**

From 1 January 2024, you are no longer required to notify the former relevant Department of changes to your organisation.

You must continue to notify the ATO about some changes. Refer to changes to your organisation.

For example, you should only notify the ATO of changes to committee members if the changes mean that authorised contacts listed with the ATO need to be updated.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify them about some changes. Refer to ongoing obligations to the ACNC ...

#### Other changes to consider

Consider removing any references to being 'listed on the relevant register'. This may include:

- · website content
- other promotional or public facing material.

#### **Review of eligibility**

Check your organisation's continued eligibility to be endorsed as a DGR by completing a review of your DGR endorsement.

If your organisation is no longer entitled to DGR endorsement, you must tell us in writing. Refer to **notifying us of changes**.

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# Organisations seeking DGR endorsement

This applies to environmental organisations, harm prevention charities and cultural organisations.

Last updated 7 March 2024

### **Transitional provisions in place from 1 January 2024**

Your DGR endorsement application will be treated as an application for endorsement for the whole of your organisation under the new law.

We will process your application and contact you with any queries we have, prior to making our decision.

Your public fund will be treated as your gift fund, unless or until you establish a replacement gift fund.

#### Winding up provisions

Changes to your governing document may be required, if the winding up provisions of the public fund reference transferring any surplus assets (to a fund, authority or institution) that is on the register of environmental organisations or register of harm prevention charities.

If you do make changes, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify the ACNC about changes to your governing document. Refer to <u>ongoing obligations to the ACNC</u>

[7].

#### **Public fund obligations**

The transitional provisions allow you to treat your public fund as your gift fund under the new law.

This means that from 1 January 2024, you can continue to use your public fund as your gift fund unless or until you establish a replacement gift fund.

Unless you make changes, you still need to follow your public fund rules where they are compatible with the new law. For example, requirements in your public fund rules for a majority of responsible persons (to be on the management committee of the fund) is compatible with the new law, so unless or until you make changes to your public fund rules (or replace them with a new gift fund) you would need to continue with this requirement.

If the new law requires you to do something that is not compatible with your public fund rules the new law applies. For example, the requirement in the new law to issue **receipts** in the name of your organisation is not compatible with requirements in your public fund rules to issue receipts in the name of the fund, so you would issue receipts in the name of your organisation.

You do not need to make any changes to your public fund rules. If you decide to make changes you should consider:

 removing requirements for the fund to have a specific name (your fund can still have a specific name, but this is no longer a requirement).

- amending the name of the public fund to reflect that it is a gift fund.
- amending any rules relating to the objects and operations of the fund to reflect that:
  - the fund must be maintained and used only for the principal purpose of the organisation
  - all gifts and deductible contributions of money or property for that purpose are made to it
  - any money received by the organisation, because of such gifts or deductible contributions is credited to it
  - it does not receive any other money or property.
- whether amendments are needed to ensure that the organisation
  has appropriate winding up rules to transfer any surplus assets of
  the gift fund to another gift deductible fund, authority or institution
  on the earlier of either the fund being wound up or the DGR
  endorsement being revoked. If the organisation is a registered
  charity, the recipient of the surplus assets of the gift fund must also
  be a registered charity.
- removing any requirement:
  - that receipts are to be issued in the name of the fund (as a DGR you are not required to issue a receipt but if you do you must include certain information)
  - for a separate bank account for gifts and deductible contributions (you can still maintain a separate bank account, but this is no longer a requirement)
  - that the public must be invited to contribute to the fund (this is no longer a requirement)
  - that the fund must be managed by members of a committee, a majority of whom have a degree of responsibility to the general community (this is no longer a requirement)
  - to notify the ATO of changes to the fund rules (this is no longer a requirement)
  - to inform the former relevant government department of a specific matter such as statistical information or changes,

including changes to the membership of the management committee (this is no longer a requirement)

- to comply with rules set by the Treasurer or responsible Minister (this is no longer a requirement)
- that any surpluses assets of the fund on windup must go to another entity listed on a particular register (this is no longer a requirement).

Alternatively, if you choose to replace your public fund with a gift fund, remove your public fund rules in their entirety (including any former department requirements) and add a replacement gift fund.

A policy to not act as a mere conduit is still required if you are a harm prevention charity or environmental organisation.

If you do make changes to your governing document, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the Australian Charities and Not-for-profits Commission (ACNC). You must notify the ACNC about changes to your governing document. Refer to ongoing obligations to the ACNC ...

#### Gift fund

Your public fund will be treated as your gift fund – unless or until you establish a replacement gift fund.

If you establish a gift fund, it may either:

- be part of the governing document of your organisation
- have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### **Notification of changes**

From 1 January 2024, you are no longer required to notify the former relevant department of changes to your organisation.

You must notify the ATO about some changes. Refer to changes to your organisation.

For example, you should only notify the ATO of changes to committee members if the changes mean that authorised contacts listed with the ATO need to be updated.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify them about some changes. Refer to ongoing obligations to the ACNC ...

#### Other changes to consider

Consider removing any references to being 'listed on the relevant register'. This may include:

- · website content
- other promotional or public facing material.

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# Entities seeking entry on the register

This applies to environmental organisations, harm prevention charities and cultural organisations.

Last updated 12 December 2023

Refer to the list on changes that may impact your organisation:

### Transitional provisions in place from 1 January 2024

Your request to be listed on the register of the relevant department will be transferred to the ATO.

We will treat your request as, both:

- an application for endorsement as a DGR for the whole of your organisation under the new law
- having been made on 1 January 2024 and in the approved form.

We will process your request and contact you with any queries we have, prior to making our decision.

#### **Public fund obligations**

The transitional provisions do not treat your public fund as your gift fund under the new law.

You may need to make some changes to your public fund arrangements, so you comply with the new law. You may choose to replace your public fund with a gift fund or make changes to your public fund rules.

You will need to remove requirements that are not compatible with the new law, such as requiring **receipts** to be in the name of your organisation rather than in the name of the public fund.

You may also choose to change your public fund rules to remove requirements for a majority of responsible persons on the management committee of the public fund or replace your public fund with a gift fund that does not have this requirement.

If you do make changes to your governing document, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the Australian Charities and Not-for-profits Commission (ACNC). You must notify the ACNC about changes to your governing document. Refer to ongoing obligations to the ACNC ...

#### Gift fund

You need to meet the gift fund requirements, you may either:

- use your existing public fund (which may require amendments to its rules, so it complies with the gift fund requirements)
- establish a separate gift fund.

If you establish a gift fund, it may either:

- be part of the governing document of your organisation
- have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### Winding up provisions

Changes to your governing document may be required, if the winding up provisions of the public fund reference transferring any surplus assets to a fund, authority or institution that is on the register of environmental organisations or register of harm prevention charities.

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# Organisations with DGR endorsement

This applies to overseas aid funds.

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Refer to the list on changes that may impact your organisation:

### **Transitional provisions in place from 1 January 2024**

Your public fund will continue to be endorsed as a public fund under the DGR category 9.1.1 – unless or until there is a change to the principal purpose of the public fund.

#### Your governing document

Changes to your governing document are **not** required to remain eligible for DGR endorsement under the new law.

However, you may amend your governing document to align it to the new law in due course. For example, removing any references to being an approved organisation as part of the Oversea Aid Gift Deduction Scheme (OAGDS).

If you do make changes, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify the ACNC about changes to your governing document. Refer to <u>ongoing obligations to the ACNC</u>

[7].

#### **System updates**

From 1 January 2024, we will gradually update our systems to reflect that you are endorsed under the new category name: *Developing country relief fund or organisation*.

#### **Voluntary governing body**

The new law does not require your organisation to have a voluntary governing body.

From 1 January 2024, your organisation may pay members of your governing body sitting fees or other payments (if allowable under your entity type and the state in which you are registered in).

If you are considering remuneration for your governing body, refer to information on the ACNC website on <a href="Remunerating Responsible">Remunerating Responsible</a>
<a href="People">People</a> <a href="People">II</a>.</a>

#### **Notification of changes**

From 1 January 2024, you are no longer required to notify the DFAT of changes to your organisation.

You must continue to notify the ATO about some changes. Refer to changes to your organisation.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify them about some changes. Refer to ongoing obligations to the ACNC ...

#### Other changes to consider

Consider removing any references to being an approved organisation as part of the OAGDS. This may include:

- · website content
- other promotional or public facing material.

#### **Review of eligibility**

Check your organisation's continued eligibility to be endorsed as a DGR by completing a review of your DGR endorsement.

If your organisation is no longer entitled to DGR endorsement, you must tell us in writing. Refer to **notifying us of changes**.

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## Approved organisations seeking DGR endorsement

This applies to overseas aid funds.

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Refer to the list on changes that may impact your organisation:

### **Transitional provisions in place from 1 January 2024**

Your DGR endorsement application will be treated as an application for endorsement for the whole of your organisation under the new law.

We will process your application and contact you with any queries we have, prior to making our decision.

Your public fund will be treated as your gift fund – unless or until you establish a replacement gift fund.

#### Your governing document

Changes to your governing document are **not** required.

However, you may amend your governing document to align it to the new law. For example, removing any references to being an approved organisation as part of the Oversea Aid Gift Deduction Scheme (OAGDS).

If you do make changes, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify the ACNC about changes to your governing document. Refer to <u>ongoing obligations to the ACNC</u>

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#### **Public fund obligations**

The transitional provisions allow you to treat your public fund as your gift fund under the new law.

This means that from 1 January 2024, you can continue to use your public fund as your gift fund unless or until you establish a replacement gift fund.

Unless you make changes, you still need to follow your public fund rules where they are compatible with the new law. For example, requirements in your public fund rules for a majority of responsible persons (to be on the management committee of the fund) is compatible with the new law, so unless or until you make changes to your public fund rules (or replace them with a new gift fund) you would need to continue with this requirement.

If the new law requires you to do something that is not compatible with your public fund rules the new law applies. For example, the requirement in the new law to issue receipts in the name of your organisation is not compatible with requirements in your public fund rules to issue receipts in the name of the fund, so you would issue receipts in the name of your organisation.

#### Gift fund

Your public fund will be treated as your gift fund – unless or until you establish a replacement gift fund.

If you establish a gift fund, it may either:

- be part of the governing document of your organisation
- have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### Voluntary governing body

The new law does not require your organisation to have a voluntary governing body.

From 1 January 2024, your organisation may pay members of your governing body sitting fees or other payments (if allowable under your entity type and the state in which you are registered in).

If you are considering remuneration for your governing body, refer to information on the ACNC website on  $\frac{\text{Remunerating Responsible}}{\text{People } \square}$ .

#### **Notification of changes**

From 1 January 2024, you are no longer required to notify the DFAT of changes to your organisation.

You must notify the ATO about some changes. Refer to **changes to** your organisation.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify them about some changes. Refer to <u>ongoing obligations to the ACNC</u> .

#### Other changes to consider

Consider removing any references to being an approved organisation as part of the OAGDS. This may include:

- · website content
- other promotional or public facing material.

# Organisations seeking declaration of a developing country relief fund

This applies to overseas aid funds.

Published 12 December 2023

Refer to the list on changes that may impact your organisation:

### Transitional rules in place from 1 January 2024

Your request to the ATO for a public fund to be declared a developing country relief fund, will be treated as an application for endorsement as a DGR for the whole of your organisation under the new law.

Your request will be treated as having been made on 1 January 2024 and in the approved form.

We will process your request and contact you with any queries we have, prior to making our decision.

#### **Public fund obligations**

The transitional provisions do not treat your public fund as your <u>gift</u> fund under the new law.

You may need to make some changes to your public fund arrangements, so you comply with the new law. You may choose to replace your public fund with a gift fund or make changes to your public fund rules.

You will need to remove requirements that are not compatible with the new law, such as requiring receipts to be in the name of your organisation rather than in the name of the public fund.

You may also choose to change your public fund rules to remove requirements for a majority of responsible persons on the management committee of the public fund or replace your public fund with a gift fund that does not have this requirement.

If you do make changes to your governing document, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the Australian Charities and Not-for-profits Commission (ACNC). You must notify the ACNC about changes to your governing document. Refer to ongoing obligations to the ACNC ...

#### Gift fund

You need to meet the gift fund requirements, you may either:

- use your existing public fund (which may require amendments to its rules, so it complies with the gift fund requirements)
- establish a separate gift fund.

If you establish a gift fund, it may either:

- be part of the governing document of your organisation
- · have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### Voluntary governing body

The new law does not require your organisation to have a voluntary governing body.

From 1 January 2024, your organisation may pay members of your governing body sitting fees or other payments (if allowable under your entity type and the state in which you are registered in).

If you are considering remuneration for your governing body, refer to information on the ACNC website on  $\frac{\text{Remunerating Responsible}}{\text{People } \square}$ .

#### **Notification of changes**

From 1 January 2024, you are no longer required to notify the DFAT of changes to your organisation.

You must notify the ATO about some changes. Refer to **changes to** your organisation.

If you are a registered charity, you continue to have additional obligations to the ACNC. You must notify them about some changes. Refer to ongoing obligations to the ACNC ...

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# Organisations seeking to be approved organisations by DFAT

This applies to overseas aid funds. Refer to the list on changes that may impact your organisation:

Published 12 December 2023

### **Transitional rules in place from 1 January 2024**

Your request to be declared as an approved organisation with the DFAT will be transferred to the ATO.

We will treat your request as, both:

- an application for endorsement as a DGR for the whole of your organisation under the new law
- having been made on 1 January 2024 and in the approved form.

We will process your request and contact you with any queries we have, prior to making our decision.

#### **Public fund obligations**

The transitional provisions do not treat your public fund as your <u>gift</u> <u>fund</u> under the new law.

You may need to make some changes to your public fund arrangements, so you comply with the new law. You may choose to replace your public fund with a gift fund or make changes to your public fund rules.

You will need to remove requirements that are not compatible with the new law, such as requiring receipts to be in the name of your organisation rather than in the name of the public fund.

You may also choose to change your public fund rules to remove requirements for a majority of responsible persons on the management committee of the public fund or replace your public fund with a gift fund that does not have this requirement.

If you do make changes to your governing document, you must comply with the terms of your governing document which specify how changes or amendments to your governing document are made.

If you are a registered charity, you continue to have additional obligations to the Australian Charities and Not-for-profits Commission (ACNC). You must notify the ACNC about changes to your governing document. Refer to ongoing obligations to the ACNC ...

#### **Gift fund**

You need to meet the gift fund requirements, you may either:

- use your existing public fund if one exists (which may require amendments to its rules, so it complies with the gift fund requirements)
- establish a separate gift fund.

If you establish a gift fund it may:

- be part of the governing document of your organisation
- have its own rules or constitution.

A separate ABN is not needed for the gift fund.

For more information about gift funds, refer to gift fund requirements.

#### 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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