



## Induction package

Induction packages for not-for-profit organisations.

### Induction package for not-for-profit administrators

If you are a new treasurer, office bearer or employee involved in the administration of a not-for-profit organisation, these guidelines introduce you to the information and services we have to assist you in your role.

### Support for not-for-profit Indigenous corporations

Important tax and superannuation matters Indigenous corporations need to know about.

QC 46456

## Getting started as a not-for-profit

If you are a new treasurer, office bearer or employee involved in the administration of a not-for-profit organisation, these guidelines introduce you to the information and services we have to assist you in your role.

**Last updated** 12 November 2018


If you are a new employee involved in the administration of a not-for-profit (NFP) organisation, this package introduces you to the

information and services we have to assist you in your role.

### **Find out about**

- [What tax concession are NFPs entitled to?](#)
- [Do I have to pay income tax?](#)
- [Do I have to pay GST?](#)
- [Workers in not-for-profits](#)
- [Gifts and fundraising](#)
- [Record keeping, administration and payment](#)
- [State and territory taxes and duties](#)

### **See also**

- Getting help
- [Our Community](#)  offers a range of free policy templates for NFPs

## **What tax concession are NFPs entitled to?**

If your organisation is a not-for-profit, the tax concessions it may be entitled to access are:

- income tax exemption
- fringe benefits tax (FBT) rebate
- FBT exemption
- goods and services tax (GST) concessions for NFP organisations
- GST concessions for charities and gift deductible entities
- DGR
- refunds of franking credits.

### **See also**

- Register your NFP
- What type of NFP is your organisation?
- Getting endorsed
- What tax concessions are available?

- Overview of legal structures
- Review your tax status
- Changes to your organisation

## Do I have to pay income tax?

Some NFP organisations have to pay income tax, and some are exempt.

To work out if your NFP organisation is exempt from income tax see:

- Income tax exempt organisations

### See also

- Types of income tax exempt organisations
- Requirements for self-assessing entities
- Taxable organisations
- Consolidation
- Franking credits

## Do I have to pay GST?

Goods and services tax (GST) is a broad-based tax of 10% on the sale of most goods, services and anything else consumed in Australia.

NFP organisations **must** register for GST if their GST turnover is \$150,000 or more; they can **choose** to register if their GST turnover is lower.

### See also

- GST registration
- GST concessions
- GST branches, groups and non-profit sub-entities
- Grants and sponsorship

## Workers in not-for-profits

You need to work out if your workers are employees, contractors or volunteers because this status may affect the tax dealings between you and your workers. We provide checklists to help you meet your tax and super obligations for your workers.

If your organisation has employees, it will need to:

- register for PAYG withholding, if it is not already registered
- withhold amounts from their pay and send the withheld amounts to us
- contribute to its employees' superannuation.

Your NFP organisation needs to consider its other obligations related to workers, such as child support payments, workplace giving programs, reporting and paying tax, and keeping records.

**See also**

- Your workers
- Your obligations to workers and independent contractors
- Fringe benefits tax
- Not-for-profit volunteers

## **Gifts and fundraising**

To receive income tax deductible gifts and contributions, an NFP organisation must be a deductible gift recipient (DGR). Some DGRs are listed by name in the tax law, but most must apply to us to be endorsed as DGRs.

**See also**

- Receiving tax-deductible gifts
- Claiming tax deductions
- Fundraising events
- Workplace and business support
- Tax and fundraising
- State, territory and local government requirements

## **Record keeping, administration and payment**

Good records help you manage your NFP organisation's tax and make it easier to report and pay on time.

Generally, for tax purposes, you must keep your records for five years. If you are a charity, you will need to keep your records for seven years.

Keeping records electronically will save you time and improve accuracy.

We offer several different payment methods.

### **See also**

- Records, reporting and paying tax
- Not-for-profit investment income withholding
- Not-for-profit eligibility for supplier discounts
- Withholding in business transactions

## **State and territory taxes and duties**

Taxes and duties levied by state and territory governments include:

- stamp duty – also known as ‘duty’ in some states
- payroll tax
- land tax.

Each state and territory has its own laws for these taxes so be sure to be across the requirements for each state you operate within.

As these laws vary from state to state, you need to ask your local state/territory revenue office about them.

Contact details are provided.

### **Next steps**

- State and territory taxes

# Support for not-for-profit Indigenous corporations

Important tax and superannuation matters Indigenous corporations need to know about.

Last updated 1 July 2022

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## Overview

Your Indigenous corporation delivers important services to your community. Managing your money well helps keep those services running.

If you need help with your corporation's tax affairs, we can help. You might also be interested in reading about the following:

- Is your organisation a not for profit?
- Registering as a not for profit
- Tax concessions essentials
- [Applying for an ABN](#) 
- Employers superannuation

## Benefits of being a non-profit organisation

There are many tax concessions available to non-profit organisations. Some organisations:

- do not have to pay income tax

- can receive tax-deductible donations.

For example, public benevolent institutions and charities may not have to pay income tax or fringe benefits tax, and receive GST concessions.

## **Paying tax on funding and grants**

If you receive a grant or funding to run your Indigenous corporation, you may need to pay GST. You will need to keep some money aside to pay the ATO any tax due on your grant.

### **How much GST to pay**

As a first step, you should ask us whether you need to pay GST on your grant and what your options are.

Your corporation may be asked to provide a tax invoice to receive the funding. The tax invoice should include a GST amount owed.

Sometimes the people giving you the funding will give you a tax invoice that shows how much GST to pay.

In both cases, the amount of GST will usually be 10% of the grant.

You have to report these grants in your activity statements and pay the GST.

### **Case study**

The newly registered Community Services Aboriginal Corporation provides health, legal and welfare services to its Aboriginal clients. The corporation employs 16 people, including a youth justice worker and health and community care workers.

The office manager Trish, calls the ATO and finds out the corporation qualifies as an exempt organisation.

This means the corporation does not have to pay income tax.

Trish then applies for an Australian business number (ABN) to make it easier for her when dealing with us and other government agencies. She registers herself as the authorised contact so we can call her if we need to.

Trish has done everything she can to make the corporation run smoothly so they can concentrate on service delivery to members and

clients.

## **Paying super to your staff**

You'll generally need to pay super guarantee contributions to an employee's super fund regardless of how much they are paid. This applies to full-time, part-time and casual staff. If your employee is under 18 years, to be eligible for super they need to work for you more than 30 hours in a week.

Prior to 1 July 2022, to be eligible for super an employee needed to be paid \$450 or more (before tax) in salary and wages per month.

## **How much super to pay**

You need to pay the **current super guarantee rate**, a minimum percentage of the amount an employee earns for his or her normal hours of work.

## **Where to pay your super contributions**

You need to pay contributions into a complying super fund or retirement savings account by the quarterly cut-off dates. Your employees can choose the super fund you pay their super contributions into.

## **If you don't meet your super obligations**

If you don't pay your employees super they are entitled to, you'll have to pay a superannuation guarantee charge to us.

## **Case study**

Trish knows the corporation has certain duties as an employer, like paying super.

Trish calls us to find out how much super the staff need to be paid. She also finds out that staff can choose which super fund they want their money paid into. Once they've told her where they want their money to go, she organises for it to be sent to the super fund.



## **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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