Taxation treatment of contributions to Wildcare

****

|  |  |
| --- | --- |
| **Process – Wildcare Gift Fund** | **Process – Branch fundraising** |
|  |  |
| **Donations to Wildcare Gift Fund** Donations can be made to the Wildcare Gift Fund through the [Wildcare website](https://wildcaretas.org.au/donations/). The Gift Fund has authority to receive donations relating to the care and conservation of Tasmania’s natural environment.  A Wildcare Gift Fund Committee exists independently of the Wildcare Board. The Committee considers applications for funding from the Gift Fund and ensures that the proposed spending  is in line with the donation purpose and the proposed project is compatible with the objectives  of Wildcare (supporting reserve management and nature conservation). The Committee is not subject to the direction of the Wildcare Board.  In order to retain the DGR status, there are formal processes that must be followed around donations to, and allocation of moneys from, the Gift Fund. These include:   * The donations must be provided for, and spent on, projects that fit with Wildcare’s primary objectives around conservation of natural environment. The Wildcare Gift Fund Committee decides how the money is spent. See the [Register of Environmental Organisation Rules](http://www.environment.gov.au/system/files/pages/53ca6702-48ad-414a-bf24-60e253d5ad0d/files/reo-guide-2003_0.pdf).   **Tax Rules**  The Wildcare Gift Fund has Deductible Gift Recipient (DGR) status from the Australian Tax Office. This means that donors can claim a tax deduction for donations of money or property to the Gift Fund.  [See the rules and tests for DGR endorsement](https://www.ato.gov.au/non-profit/getting-started/in-detail/types-of-dgrs/rules-and-tests-for-dgr-endorsement/).  Wildcare has the second type of endorsement referred to in the link, eg only the Gift Fund itself falls within the DGR category, not the organisation as a whole.  **Register of Environmental Organisation Rules**  Wildcare’s listing on the Register of Environmental Organisations is subject to acting in accordance with the [Register of Environmental Organisation Rules](http://www.environment.gov.au/system/files/pages/53ca6702-48ad-414a-bf24-60e253d5ad0d/files/reo-guide-2003_0.pdf).  A significant part of the registration is acting in accordance with the primary purpose rules listed on Page 9.   * A significant donor may propose a new natural environment purpose which they wish to support, that is not already covered by the causes mentioned in the [donations area of the Wildcare website](https://wildcaretas.org.au/donations/). This will initiate a collaboration with the Wildcare Board, via the CEO, to consider the proposal. * A donor may express a preference as to how they would like their donation to be spent. However, the donor should be made aware that for a donation to be tax-deductible, spending decisions must ultimately be made by the Wildcare Gift Fund Committee and therefore no guarantees can be provided as to how the money is allocated. This independence is a requirement of Wildcare maintaining a Public Fund (Gift Fund) to accept donations. * The donor must not receive a benefit from the donation, eg purchase of a raffle ticket or corporate sponsorship is not a tax deductible donation and cannot be paid to the Wildcare Gift Fund. Bequests via a will are also not tax-deductible.   Wildcare is required to maintain separate bank accounts for the Wildcare Gift Fund and Wildcare operations.  Donations made to the Wildcare Gift Fund through the Wildcare website go to Westpac Acc No 037001 723963. **Financial support for Wildcare operations** | |

Wildcare as an organisation, consisting of a small number of paid staff, Board members and a network of volunteer branches, does not have tax deductible status. Financial support for Wildcare office operational expenses or direct to Branches are not tax deductible. Only donations to the Wildcare Gift Fund for natural environment causes, where the donor does not receive any benefit from the donation, and where the use of the donation is subject to the discretion of the Gift Fund Committee as to how to spend the money, have tax deductible status.

Branches fundraise through a range of means. These may be applying for grants, fundraising through raffles/sale of items or obtaining contributions from interested people or businesses direct to the Branch.

Purchase of Wildcare memberships, corporate sponsorships, proceeds from sales from the Wildcare online shop, sponsorships, branch sales of raffles/cards etc, branch fundraising through the Wildcare website branch pages, go through to the Wildcare Operating Account Westpac Acc No 037001 447364 and are tagged to the relevant Branch in the Wildcare accounts. This type of financial support is not tax deductible to the person making the contribution.

A branch fundraising website menu option has been made available to enable branches to boost their finances. This means that people can now financially support Wildcare branches directly (the support will not constitute a tax deductible donation). The benefit for Wildcare branches is that access to funds will be efficient – the funds will be tagged directly to that branch’s financial records and funds can be accessed through provision of an invoice to the Wildcare bookkeeper. Contact [memberservices@wildcaretas.org.au](mailto:memberservices@wildcaretas.org.au) for further info.

External funds obtained through grant applications may or may not be tax deductible to the grant provider, depending on whether the grant meets the independence criteria to be treated as gift. Essentially for a grant to be considered a gift, there are [certain conditions that must be met](https://www.ato.gov.au/Business/GST/In-detail/GST-issues-registers/Charities-consultative-committee-resolved-issues-document/?page=23#Specific_questions_and_answers).

If a grant is provided that meets the criteria of being a gift and also is provided for something that fits within the principle purpose of the Wildcare Gift Fund, then it goes into the Gift Fund and is tax deductible to the organisation providing the grant.

If the grant doesn't meet the criteria of being a gift then it would go into the Wildcare operating account.

Please liaise with the Wildcare bookkeeper [bookkeeper@wildcaretas.org.au](mailto:alex@wiseaccountsbookkeeping.com.au) to discuss the nature of the grant obtained to determine how it should be treated.

# **Summary of important facts**

|  |  |  |
| --- | --- | --- |
|  | **Donations to the Wildcare Gift Fund for natural heritage causes** | **Operational fundraising via the Wildcare Operating Account** |
| **Purpose:** | The Wildcare Gift Fund is the ‘flagship’ means of attracting donations to support Wildcare’s natural heritage objectives. | To enable branches and the Wildcare office to obtain direct financial support for operations efficiently, with quick access to funds. |
| **Description** | The Wildcare Gift Fund is a Public Fund to which the public is invited to contribute. The Gift Fund is held in a separate account from Wildcare operational and Branch moneys.  Wildcare has established Fund categories relating to [partnerships and causes](https://wildcaretas.org.au/donations/) to attract funds. The amount donated to each partnership and cause is recorded in Wildcare’s financial reports.  Wildcare is open to new partnerships and causes being established. Contact [ceo@wildcaretas.org.au](mailto:ceo@wildcaretas.org.au) | Wildcare Branch moneys are held within the Wildcare Operating Bank Account.  The amount held by each Branch is recorded in Wildcare’s financial reports. |
| **Wildcare Bank Account to pay funds into** | Wildcare Gift Fund Account  Westpac 037001 723963 | Wildcare Operating Account  Westpac 037001 447364 |
| **Tax deductible to the person making the contribution?** | Yes | No  No tax deductible receipt should be issued. |
| **How to access funds** | Make an application to the Wildcare Gift Fund Committee for release of funds for a particular project that supports Wildcare’s primary objectives. Contact [memberservices@wildcaretas.org.au](mailto:memberservices@wildcaretas.org.au) for an EOI form.  The [Wildcare bookkeeper](mailto:alex@wiseaccountsbookkeeping.com.au) can advise you of potential funds available in the relevant categories of the Gift Fund. Depending on the nature of the project, funds may be available from within a number of the causes identified within the Gift Fund. | Provide invoices to [Wildcare bookkeeper](mailto:alex@wiseaccountsbookkeeping.com.au) who will pay the account from your branch funds.  The [Wildcare bookkeeper](mailto:alex@wiseaccountsbookkeeping.com.au) can advise you of funds available in your Branch account. |
| **Examples** | Donations of money or property | Credit Card through the Branch Fundraising web portal  Other forms of fundraising: raffles, shop sales, sponsorship |

|  |  |  |
| --- | --- | --- |
| **Ability for donor to specify their wishes** | Donors can express their wishes for the use of the donations. These wishes will be taken into account by the Gift Fund Committee but the Committee is not bound by those wishes. This independence is part and parcel of retaining tax deductibility status. | Discussions can occur direct between the person providing the funds and the relevant Branch. |
| **Things to remember** | Donations to the Gift Fund are for particular causes or projects relating to Wildcare’s environmental objectives.  Donations to the Gift Fund may often relate to projects or ongoing works that a particular Branch is/or intends to volunteer for, but should not be thought of as donations to any particular ‘Branch’.  Applications for release of Gift Fund moneys for particular projects are often more likely to be successful if that project has Wildcare volunteers working on it. | Funds provided to specific branches to support operational expenses are held in the Wildcare Operational Account, not in the Wildcare Gift Fund.  These funds can be accessed quickly on provision of a tax invoice to the Wildcare bookkeeper.  People supporting a branch’s fundraising should be advised that it is not a tax deductible contribution and not be provided with a tax deductible receipt. If they would like receive a tax deduction, they may prefer to donate to the Wildcare Gift Fund.  Avoid the use of the word ‘donation’ or ‘contribution’ when referring to branch fundraising. |

**Need more information?**

Contact [memberservices@wildcaretas.org.au](mailto:memberservices@wildcaretas.org.au)