

Key Phrases and their Definitions for NFPs

ACNC - The Australian Charities and Not-for-profits Commission is the regulatory authority for charities and not-for-profit organisations within Australia.

AIS - The Annual Information Statement (AIS) is an online form that every charity must submit to the ACNC each year. It asks for information about a charity's activities and programs, operations, and finances. It is completed online in the Charity Portal.

ASIC - The Australian Securities and Investments Commission is an independent commission of the Australian Government tasked as the national corporate regulator. ASIC's role is to regulate company and financial services and enforce laws to protect Australian consumers, investors and creditors.

AUSPICE - To 'auspice' means to provide support, sponsorship, or guidance. Auspice agreements are often used to help community organisations access funding for their activities. An auspice agreement entered into by the auspisor and the auspicee is a legally binding contract. It sets out the legal obligations regarding the roles and funding relations between the auspisor and auspicee.

AUTHORISED PERSON - An authorised person generally refers to someone who is approved by an organisation to access accounts, submit forms, and report to Government or other agencies. In the NFP sector, an authorised person can be allowed to report to ASIC and ACNC, as well as have other powers for different services.

CHARITABLE PURPOSE - A charitable purpose is a mission or an object. It is the reason a charity has been set up and what its activities work towards achieving.

DGR - A deductible gift recipient (DGR) is an organisation that can receive donations that are tax deductible. If a donation is tax deductible, donors can deduct the amount of their donation from their taxable income when they lodge their tax return.

DONATION - voluntarily transferring money or property without receiving, or expecting to receive, any material benefit or advantage in return. A material benefit is an item that has a monetary value.

FBT - Fringe benefits tax (FBT) is a tax paid on benefits that an employer provides to their employees in addition to their salary, such as the use of a work car or phone. Charities can apply for FBT rebates and FBT exemptions. Eligibility depends on what kind of charity they are.

FUNDRAISING - Fundraising generally refers to activities such as soliciting public donations, holding public events with admission fees, holding fundraising events, raffles and other games, corporate partnerships, and crowdfunding. The ACNC does not regulate fundraising – it is regulated at a state and territory level.

GOVERNANCE STANDARDS - The Governance Standards are a set of core, minimum standards that deal with how a charity is run (including its processes, activities and relationships) – its governance. Charities must meet the Governance Standards to be registered and remain registered with the ACNC.

GOVERNING DOCUMENT - Each charity has a governing document which set out its charitable purpose, that it operates on a not-for-profit basis and how the governing body of the charity (such as its committee of management, or board) makes decisions and consults any members. This document may have a different name depending on the charity's structure or form (for example, constitution, rules, or trust deed).

GST - Goods and services tax (GST) is a tax applied to the sale price of goods and services. Several GST concessions are available to charities. Charity tax concessions are managed by the Australian Taxation Office (ATO).

NOT-FOR-PROFIT - A not-for-profit is an organisation that does not operate for the profit, personal gain or other benefit of particular people. All registered charities must be not-for-profit. However, not all not-for-profits are charities. Some organisations may be not-for-profit, but are not charities because they do not have a charitable purpose.

RESPONSIBLE PERSON - A Responsible Person is someone who is responsible for governing a charity. Generally, a charity's Responsible People are its board or committee members, or trustees (including insolvency trustees or administrators).