

Lunchtime CHARITIES SERVICES WEBINAR SERIES

## THE BENEFITS AND OBLIGATIONS OF BEING A REGISTERED CHARITY

The webinar will begin shortly.

- Make sure your computer's sound (volume) is un-muted (  icon)
- We recommend using headphones for better sound quality

CHARITIES SERVICES  
Ngā Rōtanga Kaupapa Aotearoa



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## INTRODUCTION



**WELCOME**

Francesca Ephraim and Linh Duong will present the webinar on the **Benefits and Obligations of Being a Registered Charity** today.

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## LOGISTICS

**Can you hear us?**

- Make sure your computer's sound is un-muted. **Ignore** the  icon.
- Echoing or distortion? Try using headphones
- Sound cutting out intermittently? Check your internet connection and wait and see if it comes back
- Webinar is being recorded – you will receive a link to the recording **tomorrow**
- Listen-only webinar. Click  icon to type questions. If your question doesn't get answered during the webinar, email us at [info@charities.govt.nz](mailto:info@charities.govt.nz)
- Download the handout (click on  icon on right panel of screen)

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### WHO IS THE WEBINAR FOR?

- Registered charities
- Charities that may want to register with Charities Services
- That awesome person on your committee that “needs to know”

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### OVERVIEW OF THE WEBINAR

- Benefits
- Obligations
- Do you need to be a registered charity?
- Tax and deregistration
- Where to find help
- Questions

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### BENEFITS

#### YOU CAN CALL YOURSELF A REGISTERED CHARITY

If you are registered with Charities Services, you can call yourself a registered charity.

***Did you know...***

It's a criminal offence under the Charities Act, carrying a fine of up to \$30,000, for a person to falsely claim or imply that they are a registered charitable entity or that they act on behalf of one.

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## BENEFITS

### INCOME TAX EXEMPTIONS AND OTHER BENEFITS

- Income tax exemptions
- Donee status
- Resident Withholding Tax
- Fringe Benefit Tax
- GST

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## BENEFITS

### FUNDING

You can apply to funders who only fund registered charities.



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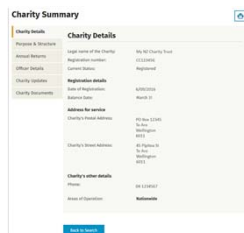
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## BENEFITS

### THE CHARITIES REGISTER

- Detailed information about your charity is listed on the Charities Register.
- Your registration number provides proof of your registered charitable status to prospective donors and funders.



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**BENEFITS**

**PUBLIC TRUST AND CONFIDENCE**

Improved public trust and confidence as information about your activities and the way you use your resources is available on the Charities Register.



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**BENEFITS**

**ANNUAL MEETING ATTENDANCE**

Your representatives can attend Charities Services' Annual Meetings and access education and training events and forums.



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**BENEFITS**

**OTHER BENEFITS**

- Rates reductions
- Police vetting
- Food safety
- Overseas volunteers and student loans



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## BENEFITS

### RECAP

- You can call yourself a registered charity
- Eligible for income tax exemptions
- Eligible for funding to registered charities
- A listing on the Charities Register
- Improved public trust and confidence
- Attend Annual Meetings, education and training
- Receive discounts



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## OBLIGATIONS

### CHARITIES ACT 2005

Operate in accordance with the Charities Act 2005.



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## OBLIGATIONS

### CHARITABLE PURPOSES

- Carry out activities to advance **exclusively charitable purposes**
- A charitable purpose can include:
  - the relief of poverty
  - the advancement of education
  - the advancement of religion, or
  - anything else that benefits the community.

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**OBLIGATIONS**

**PUBLIC BENEFIT**

- A charitable purpose must also provide a **public benefit**, which means a benefit that is:
  - recognised by law as beneficial, and
  - available to the public or a sufficient section of the public
- A purpose can't be charitable if it's aimed at creating private financial profit for individuals

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**OBLIGATIONS**

**FOLLOW YOUR RULES DOCUMENT**

- Operate in accordance with your organisation's rules document.
- Your rules could be a **constitution**, a **trust deed**, a **marae charter** or a set of purposes (if you are an unincorporated society).



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**OBLIGATIONS**

**REPORT ANNUALLY TO CHARITIES SERVICES**

This includes:

- completing an **Annual Return** and;
- including a **Performance Report** (Tiers 3 & 4) or **financial statements** (Tiers 1 & 2) that comply with reporting standards.

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### OBLIGATIONS

#### UPDATE YOUR CHARITY DETAILS

You need to update:

- the name of your charity
- the address for service
- a change in the officers (including when an officer is disqualified)
- the rules
- the purposes of your charity
- the balance date

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### OBLIGATIONS

#### INFORMATION ABOUT YOUR OFFICERS

- You are required to provide the full name, date of birth and home address of all officers
- Only their **names** will be on the public register
- Dates of birth and home addresses **are not publically available**

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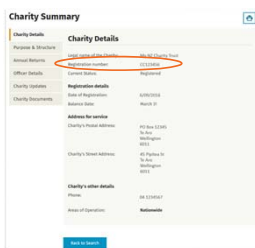
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### OBLIGATIONS

#### SUPPLYING YOUR REGISTRATION NUMBER

If anyone collects funds for a charity by telephone or the internet, then they must provide the charity's registration number on request.



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**OBLIGATIONS**

**REVIEWS AND AUDITS**

- over \$500,000 – Review (or you can choose Audit)
- over \$1 million – Audit
- less than \$500,000 – No legal requirement to audit or review

**IMPORTANT:** Check your rules document for clauses relating to audits and reviews. Change them if they don't work for you.

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**OBLIGATIONS**

**INQUIRIES**

Provide any information about your organisation requested by Charities Services.



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**OBLIGATIONS**

**RECAP**

- Operate in accordance with the Charities Act 2005
- Have charitable purposes
- Provide sufficient public benefit
- Follow your rules document
- File an Annual Return and Performance Report each year
- Keep your charity information up to date
- Supply your registration number
- Provide names, addresses and dates of birth of all your officers and confirm they are eligible
- Have a review or audit if needed
- Assist with inquiries

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### DO YOU NEED TO BE A REGISTERED CHARITY?

#### Is your income low (e.g. below \$1,000)?

There is no income tax on the first \$1,000 of income.



#### Are you an amateur sporting organisation?

- Most sports organisations can obtain income tax exempt status as long as their purpose is mainly to promote amateur sport.
- Inland Revenue has guidance on their website about income tax exemption for amateur sports organisations.

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### DO YOU NEED TO BE A REGISTERED CHARITY?

#### Donee Status

You don't always need to be a registered charity to receive donee status from Inland Revenue.



#### Accessing funding

Not all funders require organisations to be registered charities.

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### DEREGISTRATION: VOLUNTARILY DEREGISTER

- A registered charity may voluntarily deregister with Charities Services at any time.
- You can do it yourself by logging into your account, completing a form and clicking deregister.



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### TAX IMPLICATIONS OF DEREGISTRATION

- Contact Inland Revenue first to discuss your tax situation if your charity is considering deregistration.
- Deregistering? You have 12 months to distribute your assets to another registered charity or give your assets to charitable purposes.
- Assets which have not been distributed within 12 months of deregistration may be taxed by Inland Revenue.
- A deregistered charity may also lose donee status.



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### WHERE TO FIND HELP

- **Read our resources on our website**
  - "Are you in a good position to register?"
  - "Benefits and obligations of being registered"
  - "Winding up a charity"
- **Read our blog on our website**
  - "Is being registered with Charities Services still right for your organisation?"
- **Talk to Inland Revenue – 0800 377 774**
- **Contact Charities Services**
  - 0508 242 748 or email us at [info@charities.govt.nz](mailto:info@charities.govt.nz)
- **Keep in touch**
  - Sign up to our Facebook page and our e-newsletter

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- Benefits
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QUESTIONS



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CHARITIES SERVICES  
Ngā Rōtonga Kaupapa Atahua



Te Tari Taiwhenua  
Internal Affairs

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