

Charity Management Procedure

Version 2 - Approved 17 November 2024

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Purpose

This procedure describes the requirements of all charities established by the University, including the charitable trusts for which the University is Trustee, and how they are managed.

Applicable governance instruments

Instrument	Section	Principles
<i>Entities and Affiliated Organisations Policy</i>	1 Controlled and uncontrolled entities	1.1- 1.2 1.4- 1.6
<i>Australian Charities and Not-for-profits Commission Act 2012 (Cth)</i>		
<i>The Charities Act 2013 (Cth)</i>		

Procedure

1. Background

The University, its charitable trusts, and its wholly-owned controlled entities are charities registered with the Australian Charities and Not-for-profits Commission (ACNC) under the Australian Government's ACNC legislation.

Registration as a charity increases public trust and credibility in an organisation, and provides the organisation with access to: tax concessions; deductible gift recipient status so that donors can claim tax deductions for donations made; and access to restricted grants and funding.

To be registered as a charity, an entity must have a charitable purpose and the *Charities Act 2013* (Cth) lists the current acceptable charitable purposes. All University entities and charitable trusts registered as charities have the charitable purpose of 'advancing education' in line with the *Charities Act 2013*.

The ACNC legislation requires Australian charities, to comply with the ACNC Governance Standards and, if applicable, the ACNC External Conduct Standards, which require a charity to remain charitable, operate lawfully, and be run in an accountable and responsible way.

This procedure applies to all charities established by the University, including the charitable trusts for which it is a trustee.

For the purposes of this procedure "charity managers" are:

- the University Secretary for University Council
- the company secretary of each controlled entity registered as a charity
- the Director Advancement for all charitable trusts.

2. Creating a new charity

- 2.1. The Director Governance and Compliance, University Secretary, Legal Services, and the Associate Director – External Reporting & Compliance, Financial Services must be consulted about all intentions to seek registration of a University charity noting that:
 - a) University Council approval must be sought for controlled entities to be registered as a charity.
 - b) New charitable trusts for which the University is a trustee are established per the University's *Charitable Trusts Procedure* and must be registered as a charity in accordance with this procedure. University Council must be informed because Council members are the Responsible Persons for these trusts (see Section 3 below).
- 2.2. A charity's governing documents must record the charitable purpose and that it operates on a not-for profit basis.
- 2.3. Governance and Compliance will support the application for registration of each charity with the Australian Charities and Not-for-profits Commission (ACNC), in consultation with Legal Services, Financial Services, and the charity manager, including lodgement of the application.
- 2.4. Financial Services must obtain and maintain an Australian Business Number (ABN) for each charity and will apply to the Australian Taxation Office for income tax exemption for a charity.
- 2.5. The charity manager will be recorded as the primary contact for an ACNC application, and the address for service will be Financial Services (recorded as Financial.Reporting@utas.edu.au).
- 2.6. The charity manager and Financial Services will usually manage their own staff access to the ACNC system.

3. Accountability and reporting

- 3.1. The Responsible Persons of a University charity are the charitable entity's board directors (or equivalent). For the University and charitable trusts, University Council members are the Responsible Persons.
- 3.2. The Responsible Persons are accountable for ensuring the entity or trust complies with the ACNC Standards and as such are required to approve and submit to the ACNC by 30 June each year, the charity's Annual Information Statement (AIS) and make a declaration that the charity is fully compliant with the Standards at that time.
- 3.3. The charity manager will monitor the charity's compliance with the ACNC Standards and report to the Responsible Persons about compliance:
 - a) on an annual basis to support the compliance declaration in Section 3.2
 - b) as required by the Responsible Persons
 - c) where a non-compliance or contravention is identified (see Section 5.1).
- 3.4. Financial Services will prepare the AIS to the ACNC for each charity based on the entity's financial statements consistent with the ACNC's requirements. The charity manager will provide the AIS from Financial Services to the Responsible Persons for approval. This will be in time to enable submission by 30 June.
- 3.5. The charity manager will notify Financial Services when the Responsible Persons have approved the AIS and made the compliance declaration. Financial Services will then lodge each AIS with the ACNC with a copy of the approved audited financial statements if required.
- 3.6. Other entity reporting is managed by other procedures including:
 - a) The Director Advancement is responsible for ensuring the terms of the charitable trust are fulfilled and for reporting on the charitable trust performance to the donor or donor's representative per the *Charitable Trusts Procedure*.
 - b) The CEOs and Chairs of the controlled entities are accountable for reporting on the performance of the controlled entities to University Council per the *Controlled Entities Procedure*.

4. Notification of changes to registration

- 4.1. The charity manager, must notify the ACNC of any of the following circumstances in relation to their charity and lodge any required documentation as soon as possible but within 28 days:
 - a) change to responsible persons (ie change to Council or Board Member), noting that changes to Council members will be notified by the University Secretary together for charitable trusts and Council.
 - b) its name has changed
 - c) its address for service has changed
 - d) an entity has ceased to be, or has become, a responsible entity of the registered entity
 - e) its governing rules have changed.
- 4.2. The charity manager will notify Governance and Compliance to enable update of the Charities Register as per 7.1 as appropriate in response to changes at 4.1.
- 4.3. Financial Services, as the addressee for service for each charity, will ensure all notices pertaining to

a charity are notified to Governance and Compliance and/or actioned by the charity manager or the University as appropriate.

5. Contraventions and non-compliances

- 5.1. Where it becomes apparent that a University charity is operating in a way that has contravened a provision of the ACNC, including non-compliance with a governance or external conduct standard, the charity manager must take immediate steps to rectify the non-compliance and notify, in due course or immediately if significant under Section 5.2, the Responsible Persons, the University Secretary and the Director Governance and Compliance.
- 5.2. If that contravention or non-compliance is significant such that it would result in the charity no longer being entitled to be registered, the Vice-Chancellor, Audit and Risk Committee and University Council must be advised and the ACNC notified by the charity manager as soon as possible but within 28 days per the requirements of the ACNC Act.

6. Revoking registration

- 6.1. Where charity registration of an entity is no longer required, including if the entity is to be wound up, approval to seek voluntary revocation from the ACNC must be requested from University Council.
- 6.2. Upon receipt of approval from the ACNC for voluntary revocation, the Charities Register will be updated by Governance and Compliance and Legal Services and Financial Services notified.

7. Records

- 7.1. Governance and Compliance will retain a register of all charities registered with the ACNC. This will be shared with charity managers, Financial Services, and Legal Services.
- 7.2. Legal Services will keep legal records regarding the registration of charities.
- 7.3. Financial Services will ensure financial records are maintained for each charity consistent with the requirements of the ACNC.

Related procedures

Charitable Trusts Procedure

Controlled Entities Establishment and Reporting Procedure

Versions

Version	Action	Approved By	Business Owner/s	Approval Date
1	Approved	Deputy Vice-Chancellor Student Services and Operations	Director Governance and Compliance	6 November 2023
2	Approved	Deputy Vice-Chancellor Student Services and Operations	Director Governance and Compliance	17 November 2024

Definitions

N/A