



# REGISTER OF ENVIRONMENTAL ORGANISATIONS

A Commonwealth Tax  
Deductibility Scheme for  
Environmental  
Organisations

**GUIDELINES**



# INDEX

	Page
General Information	3
Background	3
Meaning of Environmental Organisation	3
Application Process	4
Assessment Process	4
Donations of Gifts of Property over \$5,000	5
Donations and Sponsorship	5
Bequests	5
Income Tax Exempt Charities	5
Contact Information	5

## SECTION 1

### Applicant Details

---

1.1	Australian Business Number	6
1.2	Details of the Organisation	6
1.3	Endorsement of the Public Fund	6
1.4	Relevant Item Number	6
1.5	Located in Australia	7
1.6	Financial Statement	7
1.7	Statistical Information	7
1.8	Type of organisation	7
1.9	Body Corporate made up of other Bodies Corporate	7
1.10	Minimum Membership Requirement	7
1.11	Commonwealth/State/Territory Registration	7
1.12	Public Fund Account	7
1.13	Public Fund Management Committee	7

## SECTION 2

### Mandatory Inclusions – Environmental Organisations

---

2.1	Principal Purpose must be the Protection of the Environment	9
2.2	Establishing and Maintaining a Public Fund	9
2.3	Agreement to abide by Ministerial Rules	10
2.4	Informing the Department	10
2.5	Not-for-Profit Organisation	11
2.6	Conduit Policy	11
2.7	Winding Up of Public Fund	11
2.8	Statistical Information	11

## SECTION 3

### Mandatory Inclusions - Public Funds

---

3.1	Objective of the Fund	12
3.2	Seek Funds from the Public	12
3.3	Separate Bank Account for the Fund	12
3.4	Public Fund Management Committee	12
3.5	Income	12
3.6	Not-for-Profit	12
3.7	Receipts	12

## SECTION 4

### Enclosures to Application

---

4.1	Essential Items	14
4.2	Additional Items that can assist Assessment	14

## SECTION 5

### Removal Process

---

5.1	Grounds for the Removal of an Organisation	15
5.2	Process of Removal	15

## SECTION 6

### Model Clauses for Environmental Organisations

---

## SECTION 7

### Model Clauses for Public Funds

---

## SECTION 8

### Forms

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8.1	Application Form for the Register of Environmental Organisations	17	enclosed
8.2	Public Fund Committee Member Nomination Form		enclosed

# General Information

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**THE OBJECTIVE OF THE REGISTER IS TO ASSIST ENVIRONMENTAL ORGANISATIONS TO OBTAIN FINANCIAL SUPPORT FROM THE COMMUNITY FOR USE IN THE CONSERVATION AND PROTECTION OF THE NATURAL ENVIRONMENT, BY PROVIDING A TAX INCENTIVE MECHANISM FOR THE COMMUNITY TO DONATE TO THOSE ORGANISATIONS.**

## Background

The Register of Environmental Organisations (the Register) was established in 1992 to remove the need for amendments to the *Income Tax Assessment Act* every time an environmental organisation was granted tax-deductible status.

The Register was given legislative effect on 24 December 1992 and now allows all approved environmental organisations to seek tax-deductible donations.

Gifts made to a public fund on the Register are made deductible by item 6.1.1 of subsection 30-55(1) of the *Income Tax Assessment Act 1997* (ITAA) and the requirements for the admission of organisations are prescribed in Subdivision 30-E of the ITAA.

The Register is administered by the Department of the Environment, Water, Heritage and the Arts (the Department) in consultation with the Australian Taxation Office (ATO).

## Meaning of Environmental Organisation

[Section 30-260 of the ITAA]

An environmental organisation must be one of the following:

- (a) a body corporate; or
- (b) a co-operative society; or
- (c) a trust; or
- (d) an unincorporated body established for a public purpose by the Commonwealth, a State or a Territory.

Under section 30-275 of the ITAA, a body corporate (except a statutory authority) or a co-operative society is an environmental organisation only if:

- (a) its membership consists principally of bodies corporate; or
- (b) it has at least 50 members who are individuals that are:
  - (i) regarded as financial members; and
  - (ii) entitled to vote at a general meeting of it; or
- (c) the Minister for Environment has determined that, because of special circumstances, it does not have to meet either of the requirements in paragraph (a) or (b).

Most eligible environmental organisations fall into categories of being a body corporate or a co-operative society. This means that they are incorporated under the laws of the Commonwealth in the case of a company limited by guarantee, or a State or Territory as an incorporated association, co-operative society or similar body.

The ITAA provides that, in special circumstances, the Minister for the Environment, Heritage and the Arts (Environment Minister) may waive the requirement for an eligible incorporated organisation to have a minimum of 50 members. However, strong and justifiable reasons would be required for the Minister to grant an exemption as it is Commonwealth Government policy that incorporated organisations meet the minimum membership requirement.

## Application Process

Under the ITAA, an environmental organisation is described as a body corporate; or a co-operative society; or a trust; or an unincorporated body established for a public purpose by the Commonwealth, a State or a Territory.

### Step 1

Organisations seeking entry on the Register must satisfy one of the above descriptions of environmental organisations. A State/Territory registration process is required for a body corporate, a co-operative society or a trust. A company seeking to be limited by guarantee must comply with the requirements of the Australian Securities and Investments Commission. All of the above involve a legal process.

### Step 2

Your organisation must seek an Australian Business Number (ABN) from the Australian Taxation Office (ATO) before submitting an application to this Department. Organisations need to have an ABN before they can be endorsed as a deductible gift recipient and/or as an income tax exempt charity.

For further detail, see Section 1.1, *Australian Business Number*.

### Step 3

Organisations that are already incorporated or are registered, must make amendments to their constitutional documents as requested in the Guidelines, in order to meet the requirements for entry on the Register.

The Department is happy to advise organisations on amendments. To assist organisations, we will assess draft constitutions against the requirements of the Guidelines.

### Step 4

Complete the attached application form for entry to the Register and for Deductible Gift Recipient (DGR) status.

The application form, along with the other Register requirements, must be sent to Department of the Environment, Water, Heritage and the Arts.

## Assessment Process

The Department carries out an initial assessment of all applications for entry onto the Register. A check is made to ensure that the organisations meet the legislative requirements of the ITAA, the requirement of ministerial rules, and the administrative requirements of the Guidelines.

Applications are then referred to the Environment Minister. The Minister must agree to the entries and certify that the organisations are environmental organisations to the (Assistant) Treasurer. After the Minister has signed the instrument for entry onto the Register, it is then passed to the (Assistant) Treasurer for his/her consideration.

When the (Assistant) Treasurer has approved the recommendation, the ATO will process each organisation's application for endorsement of its public fund as a DGR and will issue each organisation with written notification of their endorsement.

When notified of the (Assistant) Treasurer's approval, the Department advises each applicant in writing of their inclusion on the Register. The date of entry on the Register is the date that the (Assistant) Treasurer signed the instrument.

## Donations of Gifts of Property over \$5,000

The Government has introduced new philanthropy measures to encourage taxpayers to donate to certain funds, authorities and institutions.

Taxpayers are able to claim the benefits of a tax deduction for a gift over a maximum of 5 years. To take advantage of this concession, the gift must have been a gift of property made to an organisation listed on the Register, on or after 1 July 1999, and be valued at over \$5,000. In order to claim a deduction over 5 years, a claimant must fill out an election form and send it to the Secretary of the Department of the Environment and Heritage. An election proforma is available on request from the Department - see contact details below.

## Donations and Sponsorship

What is the difference between a donation and sponsorship?

A donation is made unconditionally - the donor gives of his/her free will to an organisation that is free to determine the purpose for which the donation will be used, within the confines of that organisation's objectives. The donor may state a preference as to how the gift might be used as long as the organisation has an unconditional discretion as to how it will use the gift.

The donor must not receive any pecuniary or other material benefit in return for the gift including such benefits as membership or newsletters. Details relating to tax deductions for donations are found under division 30 (the gift provisions) of the ITAA.

Corporate sponsorship is a payment made by a business in exchange for promotional or advertising services, which creates mutual benefits for both the organisation and sponsoring business. Partnerships through sponsorship arrangements are tax deductible to businesses under section 8-1 of the ITAA.

For the purposes of the ITAA, donations are gifts made unconditionally under the terms of subdivision 30-E. Therefore, corporate sponsorships are not gifts, and sponsorship monies must not be placed in the public fund account. Corporate sponsorships are payments made by a business in exchange for promotional, advertising or other services.

## Bequests

Testamentary gifts (bequests) are not tax deductible (see subsection 30-15(2) of the ITAA). The term bequest applies not only to those gifts specifically bequeathed under a will (or made by trustees as a result of a requirement placed on them by a will) but also to any gifts made by trustees out of the estate before the estate is settled. Consequently, donations by executors of deceased estates are not tax deductible.

## Income Tax Exempt Charities

Organisations that meet the requirements for listing on the Register may also qualify for endorsement by the ATO as an income tax exempt charity (ITEC).

The advantages for environmental groups that are endorsed as income tax exempt charities is that they are exempt from income tax and are not required to lodge income tax returns unless directed by the ATO. In some cases, charities will also qualify for other Commonwealth, State and Territory tax concessions.

For additional information and to order an ITEC application form, please call the ATO on 1300 130 248.

## Contact Information

If, after reading the Guidelines, you have queries about your application, please contact:

Register of Environmental Organisations  
Policy and Accountability Branch  
Department of the Environment and Heritage  
GPO Box 787  
CANBERRA ACT 2601

Telephone: (02) 6274 1467  
Email: reo@ea.gov.au

# COMPLETING YOUR APPLICATION

## SECTION 1 Applicant Details

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For your convenience, sections 1-4 are related to the application and are to be read in relation to the application form.

Section 1 asks for some basic information concerning the organisation. Sub-sections 1.4 - 1.9 of the application form are specific to the requirements of the ATO.

### 1.1 Australian Business Number

Organisations need to have an Australian Business Number (ABN) before they can be entered on the Register and endorsed as a deductible gift recipient.

You can apply for an ABN:

- electronically, through
  - the ABR ([www.abr.gov.au/externalsite.asp?url=http://www.abr.gov.au/](http://www.abr.gov.au/externalsite.asp?url=http://www.abr.gov.au/)), if all you wish to do is apply for an ABN
  - the Business Entry Point ([www.business.gov.au/externalsite.asp?url=http://www.business.gov.au](http://www.business.gov.au/externalsite.asp?url=http://www.business.gov.au)) where you can also attend to other government obligations, as well as apply for an ABN, or
- on a paper application, available by phoning the ATO on **13 28 66**, or
- through a tax agent, who will lodge your application using the Electronic Lodgement System.

### 1.2 Details of the Organisation

Please include the full, legal name of your organisation. The name should be the same as that on the certificate of incorporation, certificate of registration, deed of trust or other founding document.

The contact officer's name should be a person who is able to field queries from the Department about the application. Ideally, the contact person should be a public office holder in the organisation.

### 1.3 Endorsement of Public Fund

All organisations seeking entry to the Register have to establish and maintain a public fund. It is the public fund that is endorsed as a deductible gift recipient. Therefore, this question is already filled out on the application form.

The name of the public fund must be the same as the name that is in the establishment clause of the public fund in your constitutional document.

### 1.4 Relevant Item Number

This is an ATO requirement that is already filled out for you on the application form. The ATO number for the environment category is 6.1.1. For further information, refer to page 25 of the ATO's GiftPack ( a taxation guide for deductible gift recipients and donors).

## 1.5 Located in Australia

In order to be eligible for entry to the Register, organisations and their public funds have to be physically located in Australia.

## 1.6 Financial Statement

If you are an established organisation, then please identify the year that you last prepared an audited annual financial statement. If you have only recently been established as an organisation, and have not yet been required to prepare audited accounts, then write 'n/a' on the application form.

## 1.7 Statistical Information

Under this section, you are required to identify your total income for the period identified in 1.6 above and then to provide the remaining information on a percentage basis.

If you are a new organisation (ie have not been operating for more than a year), you are not required to answer this section.

## 1.8 Type of Organisation

You must identify the type of organisation by marking the appropriate box on the application form.

A body corporate is a generic term that covers incorporated organisations, companies that have been established by guarantee and a number of other entities. If you are in any doubt, contact the Department.

## 1.9 Body Corporate made up of other Bodies Corporate

If your organisation is a body corporate made up by a majority of other bodies corporate, then your organisation is not required to meet the 50 minimum membership requirement. While no minimum number of bodies corporate is specified in the legislation, it is anticipated that such organisations will have at least 5 other bodies corporate as members.

## 1.10 Minimum Membership Requirement

If your organisation is predominantly made up of individuals; or a mix of individuals (majority) and bodies corporate (minority), then you are required to meet the 50 minimum membership rule. Membership is defined as members who are financial (ie paid up) and who are entitled to vote at an annual general meeting.

## 1.11 Commonwealth/State/Territory Registration

Details are required about your organisation's registration as an incorporated body, a cooperative society or a trust. The process for registering or stamping trust deeds varies in the various state/territory jurisdictions. If you are not yet registered, you will need to discuss the matter with the relevant state/territory departments, generally the Department of Consumer Affairs.

## 1.12 Public Fund Account

The public fund must have its own bank account for the deposit of donated monies, and monies earned from public fund assets.

## 1.13 Public Fund Management Committee

The public fund must be managed by a management committee appointed by the organisation. It can be made up of members from the organisation's management committee or be a sub-committee of the organisation's management committee. It can also be a committee made up entirely of responsible persons from the community who are not members of the organisation.

To qualify as a public fund, a majority of the administrators of the fund are required to have the requisite degree of responsibility to the wider Australian community by virtue of their tenure of public office or their position in the community etc. These persons must have a wider degree of responsibility to the community as a whole than just their obligation to the organisation seeking entry to the Register. Holding office in the applicant organisation will not qualify an individual as a 'responsible person'.

The minimum requirement for the number of members appointed to the committee to manage the fund is three and the majority of the members of the committee must be deemed by the Department to be 'responsible persons'.

A public fund committee member nomination form is attached. A nomination form must be filled in for each committee member for assessment by the Department as 'responsible persons'.

The following is a guide to who may qualify as 'responsible persons':

- people with honours (OBE, KCMG, AO etc)
- clergy and church authorities
- trustees or board members of a not-for-profit school or college
- justices of the peace
- judges/magistrates
- public servants with more than five years service
- barristers/solicitors
- doctors
- accountants (must be CPA, ASA, ICA or NIA registered)
- persons holding public or elected office:
  - mayors
  - town clerks
  - councillors
  - members of parliament
- directors of large public companies (with responsibilities under the companies code)
- academics or teachers with more than five years experience
- people who hold (or have held) other public positions (eg member of the Australia Council)
- past or present office holders of other community organisations (eg President of Parent and Citizens Association, Secretary of Lions, Treasurer of Rotary)

If doubt exists in any particular case, please contact the Department for advice.

# SECTION 2

## Mandatory Inclusions - Environmental Organisations

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This section deals with the mandatory constitutional requirements of environmental organisations.

### 2.1 Principal Purpose must be the Protection of the Natural Environment

[Section 30-265(1) of the ITAA]

An environmental organisation's principal purpose must be:

- " (a) the protection and enhancement of the natural environment or of a significant aspect of the natural environment; or
- (b) the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment."

An organisation seeking registration must provide evidence of its environmental purpose or purposes by listing its formal objects as part of its constitutional documents. The environmental purpose must be the organisation's principal purpose.

The objects of the organisation must be set in the context of the natural environment. This includes all aspects of the natural surroundings of humans, whether affecting them as individuals or in social groupings.

The term natural to describe 'environment' is used to make a distinction between the natural environment and other types of environments eg

- *built*;
- *cultural*; and
- *historic* environments.

The *natural environment* and concern for it would include, for example: significant natural areas such as rainforests; wildlife and their habitats; issues affecting the environment such as air and water quality, waste minimisation, soil conservation, and biodiversity; and promotion of ecologically sustainable development principles.

The *natural environment* would exclude, for example:

- constructions such as the retaining walls of dams;
- cultivated parks and gardens;
- zoos and wildlife parks (except those parks and zoos principally carried on for the purposes of species preservation); and
- cultural sites and heritage properties.

### 2.2 Establishing and Maintaining a Public Fund

[Section 30-265 (2) of the ITAA and Taxation Ruling 95/27]

An environmental organisation must establish and maintain a public fund:

- (a) to which gifts of money or property for its principal purpose are to be made; and
- (b) to which any money received because of such gifts is to be credited; and
- (c) that does not receive any other money or property'.

A public fund has:

- its own name;
- its own objects (in the context of the Register, the environmental purpose of the organisation);

- its own management committee;
- its own bank account (separate to the environmental organisation); and
- its own rules.

The fund is public in the sense that it is to be administered by a committee of persons of whom a majority has a degree of responsibility to the wider community in Australia. These persons must demonstrate a commitment to the community outside of the environmental organisation.

Both the public fund and the environmental organisation that sponsored it are entered on the Register. The public fund must therefore be established and maintained as an entity distinct from the environmental organisation.

The organisation must authorise the establishment of the public fund by including an establishment clause in its constitutional document. The clause must clearly establish the public fund as a distinct entity.

Organisations are encouraged to give their public funds distinctive names so as to identify the public fund from the organisation. It is preferable to keep the name of the public fund as short as possible.

It is acceptable to use the organisation's name as the foundation of the public fund's name but the words 'incorporated' and 'limited' should not be included. The word 'fund' must be used in the name of the public fund, preferably at the end of the name.

It is wise to check and see if a public fund name is recorded already on the Register by ringing the Department's contact officer on 02 6274 1467.

## 2.3 Agreement to Abide by Ministerial Rules

[Section 30-265 (4) of the ITAA]

An environmental organisation must agree to comply with any rules that the (Assistant) Treasurer and the Environment Minister make to ensure that gifts made to the fund are used only for its principal purpose.

Environmental organisations wanting to be on the Register must include a clause in their constitution to say that they will accept any rule the Ministers make to ensure that gifts made to public funds will only be used for the environmental purposes.

Currently, there are 2 ministerial rules.

### Ministerial Rule 1

*An organisation listed on the Register must answer all questions required by the Department stated on the annual statistical return form. It is to provide, with the statistical return, an audited financial statement for itself and its public fund. The statement is to provide information on the expenditure of public fund monies and the management of public fund assets.*

### Ministerial Rule 2

*An organisation listed on the Register must inform the Department as soon as possible:*

- *if it changes its name or the name of its public fund; or*
- *if there is any change to the membership of the management committee of the public fund; or*
- *if there has been any departure from the model rules of the public fund.*

## 2.4 Informing the Department

Refer to Ministerial Rule 2 above. As both the name of the organisation and the name of its public fund are entered onto the Register, it is essential that the Department is informed if either the organisation and/or its public fund name are changed.

Whenever a change occurs on the management committee of the public fund, a nomination form is required to be submitted to the Department for assessment for all proposed members. The Department is responsible for assessing proposed members for 'responsible person' status.

It is the Department's responsibility to ensure that a majority of 'responsible persons' administer the management committee.

Also, the Department must be informed if there is any departure, in your constitutional document, from the model rules for public funds that are listed in the Guidelines to the Register.

## 2.5 Not-for-profit Organisation

[Section 30-270(1) of the ITAA]

An environmental organisation must not pay any of its profits or financial surplus, or give any of its property, to its members, beneficiaries, controllers or owners (as appropriate). The organisation must insert in its constitutional document a clause providing evidence that it will not pay any of its profit or surplus to its members, executive, trustees etc.

A statutory body will not be eligible for registration if its establishing legislation provides that one of its statutory functions is to transfer its property (its land) to the Crown; that is, where it is required that donated property be given or transferred to the Crown as the body's beneficiary or controller.

## 2.6 Conduit Policy

[Section 30-270 (2) of the ITAA]

The conduit policy applies to the behaviour of a potential donor to an organisation and its public fund. An organisation must not be directed by a donor to act as a conduit by passing a donation of money or property to other organisations, bodies or persons. A registered organisation must not act as a collection agency for tax-deductible donations intended by a donor to be passed on to another organisation or person.

The conduit policy does not apply to an organisation which, within its principal objective to conserve the natural environment, decides to pass funds to another entity to do environmental projects or other nature conservation work.

## 2.7 Winding Up of Public Fund

[Section 30-270 (3) of the ITAA]

An environmental organisation must have a clause/rule providing that, if the public fund is wound up, any surplus assets of the fund are to be transferred to another fund that is on the Register.

## 2.8 Statistical Information

[Section 30-270 (4) of the ITAA]

An environmental organisation " must have agreed to give the Secretary of the Environment Department within a reasonable period after the end of each income year, statistical information about gifts made to the public fund during that income year" .

Environmental organisations must provide the Department with statistical information about the donations and gifts made to the public fund for a financial year within four months of the end of that year. Four months is considered " a reasonable period" for legal purposes.

The Minister and the (Assistant) Treasurer have approved a rule (refer to section 2.3) that requires registered organisations to include the following information in their annual statistical returns:

- to provide information on the expenditure of public fund monies and the management of public fund assets;
- to provide audited financial statements for the financial year for the environmental organisation; and
- to answer any questions about the public fund.

This will involve completing a statistical return form provided by the Department to organisations upon being admitted to the Register.

# SECTION 3

## Mandatory Inclusions - Public Funds

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The public fund must have its own rules. The rules must be inserted into the organisation's constitution.

A copy of the Register's public fund model rules is included at the end of these Guidelines.

### 3.1 Objective of the Fund

The objective of the public fund is to support the principal objectives/purposes of the environmental organisation and which must be the conservation of the natural environment.

### 3.2 Seek Funds from the Public

Organisations listed on the Register must actively seek donations of money or property from the community in order to maintain their tax deductibility status.

### 3.3 Separate Bank Account for the Fund

Each organisation seeking entry to the Register must open a bank account for its public fund. Gifts to the public fund must be kept separate from any other funds of the organisation. Only gifts of money or property must be placed the public fund's account. Sponsorship monies or testamentary gifts must not be deposited into the fund's bank account but rather be deposited into one of the organisation's other accounts.

### 3.4 Public Fund Management Committee

Refer to Section 1.13.

### 3.5 Income

Money from interest on donations, income derived from donated property, and money from the realisation of such property is to be deposited into the fund.

The release of monies from the public fund account and the management of, and sale of, public fund assets must be authorised by the fund's management committee. Members of the public fund management committee permanently located in Australia must be the only signatories to the public fund account.

### 3.6 Not-for profit

It is a requirement of both the organisation and the public fund that they be operated on a not-for-profit basis.

### 3.7 Receipts

Receipts must be issued in the name of the public fund. Donations with a value of less than \$2 are not allowable deductions.

To ensure tax deductibility of donations, receipts issued in the name of a registered organisation's public fund should contain the following elements:

- the number of the receipt
- the date the donation was received
- name of the organisation
- the organisation's Australian Business Number (ABN)
- name of the fund

- signature of a person authorised to act on behalf of the fund
- name of the donor
- an indication that the fund is listed on the Register
- that the amount is for a gift

The following example contains all the elements required.

<b>[NAME OF ORGANISATION]</b>	
[ A B N N U M B E R ]	
<b>[NO]</b>	<b>DATE</b> / /
<b>RECEIVED FROM \$</b>	
<b>REPRESENTING A DONATION TO THE [NAME OF FUND]</b>	
<b>RECEIVED BY</b>	
The [name of fund] is a public fund listed on the Register of Environmental Organisations under item 6.1.1 of subsection 30-55(1) of the <i>Income Tax Assessment Act 1997</i>	
<b>DONATIONS OF \$2.00 OR MORE ARE TAX DEDUCTIBLE</b>	

# SECTION 4

## Enclosures to Application

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### 4.1 Essential Items

#### Certificate of incorporation/registration

If your organisation is a body corporate or a cooperative society then you will need to provide the Department with a copy of the certificate of incorporation/registration. The best-known examples of bodies corporate are incorporated associations and companies limited by guarantee.

#### Constitutional documents

An organisation's constitution or rules, or memorandum and articles of association, or deed of trust or settlement etc must be provided to the Department. The constitution must contain all the amendments required by the Guidelines to the Register. The amendments must be approved by the appropriate state authority, normally Consumer Affairs, before a formal application is submitted to this Department.

#### Public fund management committee member nomination forms

A nomination form for each member of the management committee of the public fund must be submitted to the Department for assessment. The Department will assess each member against the Guideline's criteria for 'responsible persons'.

It is the Department's responsibility to ensure that there is a majority of 'responsible persons' administering the management committee of the public fund.

#### Description of your organisation

A brief description of your organisation and its activities must be included with your formal application. The description will be included in a brief to the Minister for the Environment for his consideration of the application.

### 4.2 Additional Items that can assist assessment

- Most recent annual report
- Most recent audited annual financial statement
- Most recent publication (eg newsletter, publication, information sheet, membership information etc)

# SECTION 5

## Removal Process

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The ITAA allows the Environment Minister and the (Assistant) Treasurer to direct the removal of an organisation from the Register.

The process of removal endeavours to be transparent, fair and accountable.

### 5.1 Grounds for Removal of an Organisation

The grounds for removing an organisation from the Register include:

- no longer meeting the requirements of the ITAA; or
- not collecting tax-deductible donations from the public; or
- not using donations to the public fund for the principal purposes of the environmental organisation; or
- not adhering to the model rules for public funds as set out in Section 7 of these Guidelines.

### 5.2 Process of Removal

The process will involve two warning letters.

The first letter will be posted to the organisation requesting a response within three months. If a satisfactory response is not received within three months of the sending of the first letter, then a second letter will be sent.

A satisfactory response to the second letter is also required within three months.

If such a response is not received within that time, then the Department will submit an instrument of removal for consideration by the Minister and the (Assistant) Treasurer.

# SECTION 6

## Model Clauses for Environmental Organisations

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These model clauses reflect the requirements of the *Income Tax Assessment Act 1997* and Ministerial Rules. These clauses must be included in your constitution. Ideally, the establishment of the public fund clause should be placed with the objects of the organisation.

### Establishment of the Public Fund

To establish and maintain a public fund to be called the [state name of public fund] for the specific purpose of supporting the environmental objects/purposes of [state name of environmental organisation]. The Fund is established to receive all gifts of money or property for this purpose and any money received because of such gifts must be credited to its bank account. The Fund must not receive any other money or property into its account and it must comply with subdivision 30-E of the Income Tax Assessment Act 1997.

### Requirements of the Public Fund

The organisation must inform the Department responsible for the environment as soon as possible if:

- it changes its name or the name of its public fund; or
- there is any change to the membership of the management committee of the public fund;

or

- there has been any departure from the model rules for public funds located in the Guidelines to the Register of Environmental Organisations.

### Ministerial Rules

The organisation agrees to comply with any rules that the Treasurer and the Minister with responsibility for the environment may make to ensure that gifts made to the fund are only used for its principal purpose.

### Not-for-Profit

The income and property of the organisation shall be used and applied solely in promotion of its objects and no portion shall be distributed, paid or transferred directly or indirectly by way of dividend, bonus or by way of profit to members, directors, or trustees of the organisation.

### Conduit Policy

Any allocation of funds or property to other persons or organisations will be made in accordance with the established purposes of the organisation and not be influenced by the preference of the donor.

### Winding-up

In case of the winding-up of the Fund, any surplus assets are to be transferred to another fund with similar objectives that is on the Register of Environmental Organisations.

### Statistical Information

Statistical information requested by the Department on donations to the Public Fund will be provided within four months of the end of the financial year.

An audited financial statement for the organisation and its public fund will be supplied with the annual statistical return. The statement will provide information on the expenditure of public fund monies and the management of public fund assets.

## SECTION 7

# Model Clauses for Public Funds

These model rules for public funds reflect the requirements of taxation policy, especially Taxation Ruling 95/27. The rules must be inserted into your constitution.

1.	The objective of the fund is to support the organisation's environmental purposes.
2.	Members of the public are to be invited to make gifts of money or property to the fund for the environmental purposes of the organisation.
3.	Money from interest on donations, income derived from donated property, and money from the realisation of such property is to be deposited into the fund.
4.	A separate bank account is to be opened to deposit money donated to the fund, including interest accruing thereon, and gifts to it are to be kept separate from other funds of the organisation.
5.	Receipts are to be issued in the name of the fund and proper accounting records and procedures are to be kept and used for the fund.
6.	The fund will be operated on a not-for-profit basis.
7.	A committee of management of no fewer than three persons will administer the fund. The committee will be appointed by the organisation. A majority of the members of the committee are required to be 'responsible persons' as defined by the Guidelines to the Register of Environmental Organisations.

# SECTION 8

## Enclosed Forms

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**8.1 Application form for the Register of Environmental Organisations**

**8.2 Public Fund Committee Member Nomination Form**

