

Monash University Procedure

Procedure Title	Gift Acceptance – Receipting for Fundraising Events Procedures (Australia)
Parent Policy	Gift Acceptance Policy
Date Effective	16/05/2011
Review Date	16/05/2014
Procedure Owner	
Category	Operational
Version Number	1.1
Content Enquiries	Donor Services
Scope	All Monash staff
Purpose	<p>Fundraising events include charity balls, auctions, golf days, fetes, etc.</p> <p>In Australia the tax considerations for these events are complex and staff considering an event should contact the Taxation team at the planning stage.</p>
PROCEDURE STATEMENT	

1. Registering an Event

- 1.1. Faculties and portfolios who plan to conduct a fundraising event must register the event with the Taxation team at the planning stage.
- There are implications for the tax deductibility of contributions paid for the event by attendees. This will depend on the price of the event and potentially the cost of the event.

2. Determining Whether a Tax Deduction is Available to the Purchaser

- 2.1. Where the ticket price is less than \$150, no tax deduction is available.
- 2.2. Where the ticket price is greater than \$150, provide details of the entry price for the event and event costing information to the Taxation team in Corporate Finance so that it can be determined if any amount of the ticket price is tax deductible.
- Guidelines are available from the ATO website:
<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/56543.htm&page=5&H5>
 - Gifts should not be confused with deductible contributions for charity events. Entry fees must not embed amounts for so-called gifts or donations. Where the payment is compulsory, it cannot be a gift.
- 2.3. Determine if any amount of the contribution is tax deductible. To be deductible:
- the ticket price must be more than \$150; and,
 - the value of the benefit must not exceed \$150, or 20% of the value of the ticket price, whichever is the lesser.

Monash University Procedure

- 2.4. Analyse costing information and advise Donor Stewardship and Recognition, External Relations, Development and Alumni Division, and relevant Research and Revenue Accounting Services staff about whether tax invoices or receipts will be required and the information to be contained thereon.

3. Receipting and Acknowledgement Process (where a deduction is available)

- 3.1. An online SAP ROMR form must be completed for contributions capturing the following information:
- Name of the donor
 - Address of the donor
 - Name of the Fundraising Event
- 3.2. A tax code of S1 must be used.
- 3.3. Tax deductible amounts of the contributions for fundraising events are to be allocated to the following general ledger account:
- 532051 "Fundraising Events - Tax Deductible"
- 3.4. Non-tax deductible amounts of the contributions for fundraising events are to be allocated to the following general ledger account:
- 532052 "Fundraising Events - Non Tax Deductible"
- 3.5. Issue tax invoice/receipts and thank you letters from Raiser's Edge
- 3.6. Where receipts are given for deductible contributions to attend fundraising events, the ATO dictates the information that must be contained on those receipts. Tax invoices/receipts for deductible contributions at fundraising events require the following information:
- The name "Monash University"
 - Monash University's ABN
 - The fact that the contribution was made for a right to attend a specified fundraising event in Australia
 - The amount of the contribution (if money) including GST
 - The GST inclusive market value of the benefit
 - The value of the tax deduction
 - The date on which the contribution was made
 - A description of the contribution if it was property

4. Invoicing Process (where no deduction is available)

- 4.1. Where no part of the contribution or ticket price for a fundraising event is deductible, tax invoices should be raised in SAP.
- 4.2. A tax code of S1 must be used for the contributions.
- 4.3. All non-deductible contributions for fundraising events are to be allocated to the following general ledger account:
- 532052 "Fundraising Events - Non Deductible"
- 4.4. GST applies to these events and tax invoices should contain the following information:

Monash University Procedure

- The words "Monash University"
- Monash University's ABN
- The GST exclusive amount of the contribution
- The GST amount
- The total amount of the sale
- A description of the event
- The date on which the contribution was made
- The statement: "*Please note that entry to this event is not a deductible gift or contribution for taxation purposes*".

4.5. There may be circumstances where payment is received as the result of an application form. In these instances Tax Invoice/Receipts can be raised using the departmental receipts book, after payment is received.

- An online SAP ROMR form must be completed to allocate the income.
- Under no circumstances must an attendee receive both a SAP generated invoice and a receipt for an event where no deduction is available.
- Tax Invoice/Receipts must contain the following information:
 - The words "Monash University"
 - Monash University's ABN
 - The GST exclusive amount of the contribution
 - The GST amount
 - The total amount of the sale
 - A description of the event
 - The date the contribution was made
 - The statement: "This is not a deductible gift or contribution for taxation purposes"

Responsibility for implementation	<ul style="list-style-type: none"> • All staff • Research and Revenue Accounting Services staff • Tax, Corporate Finance Division • Donor Stewardship and Recognition, External Relations, Development and Alumni Division
Status	
Approval Body	Operational procedure Name: Date: Author:
Definitions	ATO: Australian Taxation Office Deductible Contribution: Monash University fundraising events encourage contributions which may extend a minor benefit to the contributor at the

Monash University Procedure

	<p>same time. As a benefit is received in return, the contributor is not entitled to claim the contribution as a tax deductible gift. However, some contributions made by individuals to Monash in relation to a DGR fundraising event such as a fete, ball, dinner or charity auction may be a tax deductible contribution if particular criteria are met.</p> <p>Deductible Gift Recipient (DGR): Entity endorsed by the ATO to receive tax deductible donations.</p> <p>Donor: Individual or entity who makes a gift or contribution to the University.</p> <p>Gift: Any transfer of money or property to the University made voluntarily by benefaction, where no material benefit is received by the donor. The money or property must be owned in full by the University once received. Gifts cannot be refunded unless they were received in error. Grants received by the University may be considered gifts if they comply with this definition. Because the University is an endorsed Deductible Gift Recipient, most gifts made to the University of AU\$2 or more are allowable deductions for income tax payers in Australia.</p> <p>GST: Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999</p> <p>Online SAP ROMR: Online SAP Record of Monies Received form—an online form used to record the details of funds received via cheque, cash and credit card.</p> <p>Non-deductible Gift: A gift will not be tax deductible to a donor where the funds are not spent on the University's objects and purpose or where the beneficiaries are not in Australia.</p> <p>Property: Property has a wide meaning. As well as physical items, it includes rights and interests that are capable of ownership and have a value, for example, artwork, shares, equipment and trading stock</p> <p>Raiser's Edge: The database used by the External Relations, Development and Alumni Division to record gifts made to the University.</p>
Legislation Mandating Compliance	
Related Policies	
Related Documents	Gift Acceptance - Receipting for Charity Auctions Procedures