

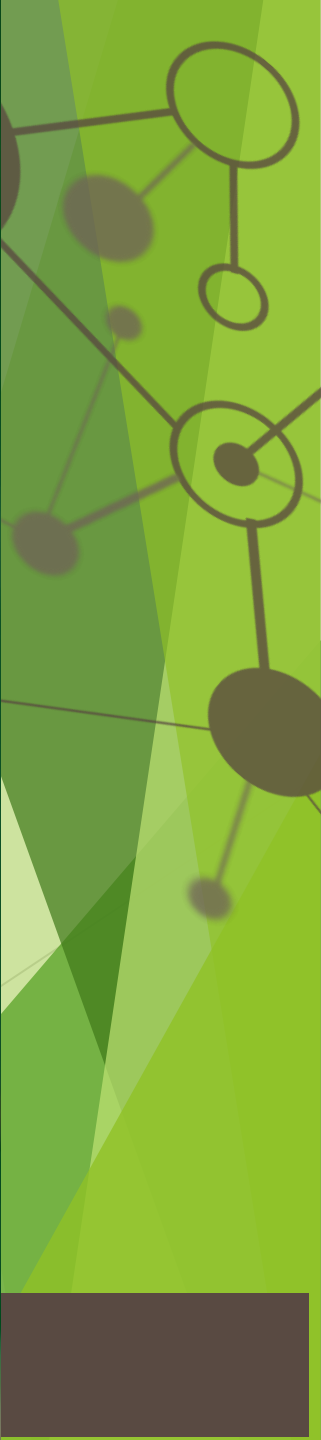


NOOSA COUNCIL

Preventing Fraud In Community Organisations



Ask Any
Time!



COMMITTEE.com.au
"successful committees - thriving"

Finance Check List ?

Do all committee members understand the term “not for profit”

Do you have a transparent procedure for recording all income & expenditure

Is all money received banked promptly

Do you have credit card and/or EFT facilities

Do you have a petty cash / reimbursement system

Do you have a system for approving expenditure

Do you keep a clear paper trail for all financial transactions and records

Can all committee members read and understand your financial reports to an adequate level

Why is all of this important?

Sentenced to 18 months jail for stealing almost \$100,000

How high stakes fraud

Exclusive: Former Keep Australia Beautiful CEO convicted of swindling

David Barwell

A FORMER head of Australia's leading charity for litter reduction has been sentenced to 18 months in jail for stealing almost \$100,000 from the organisation to bankroll an overseas getaway, horse racing and fine dining.

David Hastings Imrie, 49, was the chief executive of Keep Australia Beautiful NSW when he processed dodgy payments for himself and billed the charity's credit cards for personal purchases.

From February 2015 to December 2016, Imrie used the charity's money to pay off personal debts, book a seaside resort in Thailand, buy shares in racehorses and splash on a \$1066 meal at a top end Sydney restaurant.

The spending spree came to an end in February 2017

SPENDING SPREE

THE HOLIDAY

Imrie used Keep Australia Beautiful's credit cards to book a \$4903.58 retreat at Kalima Resort and Spa in Phuket, Thailand. A further \$235.39 was charged to the company's credit card for a meal at Da Maurizio Restaurant, Phuket.



THE RACES

Imrie transferred \$47,700 from the charity to an account held in the name of a horse racing agent. He was charged with using fake invoices to charge the charity for shares in two race horses.



An inquiry in 2016 found Rowe had withdrawn \$200,000 in cash and spent \$475,000 on the corporate credit card to pay for family phone bills, mortgage, flights and meals during his 11-year reign as president, which ended in 2014.



Shocking \$5 million RSL rorts exposed as whistleblower speaks out for first time

A forensic police probe into the RSL veterans' group has uncovered up to \$5m in alleged misappropriated charity dollars, spent on dinners, holidays and suits, as a whistleblower reveals more.

POLITICS FEDERAL

NSW RSL leaders internally charged with cover up-over expenses scandal

By Heath Anton and political correspondent
Updated January 17, 2017 - 1:27pm, first published at 12:30pm

Facebook, Twitter, Email, Print, Share

TODAY'S TOP STORIES

Nine directors of the scandal-plagued NSW RSL have been formally accused of working against the interests of members by engaging in a cover-up over the alleged sorting of expenses by former president Don Rowe.

The NSW leadership group has also been internally charged by the national RSL with bringing the organisation into disrepute after a number of embarrassing stories by Fairfax Media and the ABC exposed the alleged financial mismanagement at the century-old institution.

Former NSW RSL president Don Rowe fraud charges to go to hearing

Madeline Link

National

SHARE, TWITTER, EMAIL



HEARING: Former NSW RSL president Donald Rowe will have his case go to a hearing in December.

FORMER NSW RSL boss Don Rowe will have his fraud case go to a hearing in December.

The 71-year old Armidale man has pleaded not guilty to two charges of dishonestly obtaining financial advantage by deception.

Rowe faced Sydney Downing Centre Local Court on Monday, he is accused of using an RSL credit card to splash out on personal expenses for his family between September 2012 and November 2014.

Advertisement for 'TAKE ON THE MONSTER' featuring a woman in a colorful outfit. Text includes 'The ultimate NSW LAUREL chocolate course', '21st SEPT - 13th OCT', and 'BUY NOW afterpay'. Includes the Afterpay logo.

Nepean Motors



Former Brisbane netball leader Deborah Morton jailed for fraud

December 17, 2013 – 10.30am



TODAY'S TOP STORIES

QUEENSLAND COUNCILS

Qld government backs down on council compulsory preferential voting

1 hour ago



BRISBANE DEVELOPMENT

Mansfield Tavern to be demolished for restaurant and retail precinct



GOVERNMENT

Queensland Labor MP denies any conflict in law firm concerns

2 hours ago



TELECOMMUNICATIONS

Australians would have faster, cheaper internet had NBN not been built: Telstra chairman



A Brisbane netball association badly hit in the city's flood disaster suffered a double blow when its president stole more than \$100,000 to feed a gambling addiction, a court has heard.

Former Western Districts Netball Association president Deborah Morton, 47, was jailed for one year on Monday after pleading guilty in the Brisbane District Court to fraud.

Morton stole \$103,000 from the association by forging cheques and invoices and using blank cheques that had been signed by the organisation's treasurer, the court heard.

Justice Leanne Clare said most of the money - obtained in 61 transactions over about 12 months - was spent in poker machines.

The Graceville-based association received more than \$600,000 in flood-recovery funding from Brisbane City Council and the state government in 2011 to fix its netball courts and clubhouse, according to council minutes.



Former netball administrator Christine Melnikas. Picture: Mark Stewart

LAW & ORDER

**Banyule netball club bookkeeper
Christine Melnikas jailed for
stealing more than \$200,000 from
association**



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Netball mum avoids jail after stealing hundreds of thousands from Indigenous co-op

By Derrick Krusche

June 25, 2018 – 7:15pm



TODAY'S TOP STORIES

TELECOMMUNICATIONS

Australians would have faster, cheaper internet had NBN not been built, says Telstra chairman



SAME-SEX MARRIAGE

Anglican Archbishop tells same-sex marriage supporters to leave church

2 hours ago



COURTS

Thirsty passenger faces huge legal bill after Emirates lawsuit fails



ROAD TOLL

'Terrible accident': Toddler killed when car rolled back at childcare centre



A former star netballer who was raised as an outsider in an Indigenous family before she tried to win their love by stealing hundreds of thousands of dollars from the Wadawurrung people has avoided jail time.

Kelly Howard, 45, who played for the Bungaree Football Netball Club, repeatedly broke down in tears in the County Court in Ballarat on Monday as she pleaded guilty to defrauding the Wathaurung Aboriginal Corporation of more than \$333,000.

She was volunteering as a bookkeeper in 2011 when she started to take advantage of the "vulnerable organisation" she helped found, transferring money into her own account and paying for a deposit on a house for her mother in Horsham and dance classes for her daughter until an audit caught her red-handed in 2016.

Crown prosecutor David O'Doherty read out a victim impact statement from Uncle Bryon Powell, who said the co-op relied on donations and was set up to look after the interests of the Wadawurrung people.



Kelly Howard in 2013. BALLARAT COURIER

TODAY'S TOP STORIES

QUEENSLAND COUNCILS

Qld government backs down on council compulsory preferential voting

1 hour ago



BRISBANE DEVELOPMENT

Mansfield Tavern to be demolished for restaurant and retail precinct



GOVERNMENT

Queensland Labor MP denies any conflict in law firm concerns

2 hours ago



TELECOMMUNICATIONS

Australians would have faster, cheaper internet had NBN not been built: Telstra chairman



month period in 2018, including hiring hotel rooms during a football tournament but failing to pay for them.



Lehault's offending was described as impulsive and irresponsible. LOUIE DOUVIS

The mother-of-five also used Gumtree to fraudulently accept \$11,380 worth of rent and bond for a

Geelong Football Club takes fundraising firm to court over 'misleading' promotions

By Karen Percy

Updated 23 May 2019, 12:46pm

The Geelong Football Club has taken court action against a former fundraising contractor for alleged misleading and deceptive behaviour involving members-only benefits.

During a hearing in the Federal Court of Australia this week, lawyers for the Cats argued that Toorak-based sports fundraising firm Loyalty Pty Ltd was offering club members corporate hospitality products when it should not have.

The products relate to The Pivots club, a members-only experience run by Geelong which includes gourmet dining, premium seats and access to training sessions.

Loyalty was contracted to The Pivots club as part of fundraising campaigns from mid 2015 until early 2016.

According to its website, Loyalty offers its clients scratch-it lotteries, raffles and other products, offering prizes and access to loyalty schemes.

The case centres on a number of complaints by Cats members who thought they were supporting the club through Loyalty — when, in fact, the company no longer had a formal affiliation with the club.

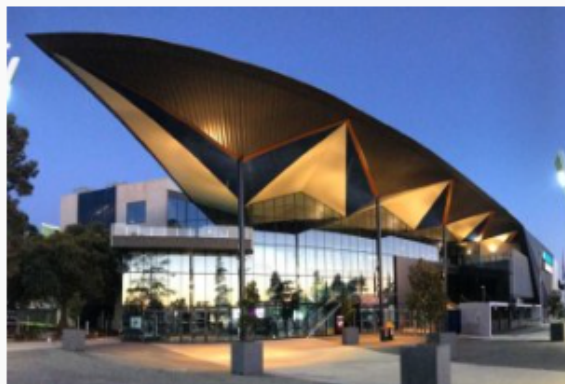



PHOTO: The Cats argue fans were tricked into thinking they could get access to The Pivots club. (ABC News: Cameron Best)

Key points:

- Geelong says Loyalty misled supporters, making them think it was raising money for the club
- A court has heard one customer gave \$1,500 to the company, thinking she would get tickets to a Geelong home game
- Loyalty has said people got what they paid for and what was being offered was "quite clear"

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Disability charity manager stole \$1 million to gamble, take holidays and watch TV, court hears

By Timothy Swanston

Updated 24 Apr 2018, 1:56pm

A long-time charity manager used most of the \$1 million she defrauded from a disability respite centre to pay for her gambling habit, holidays, pay-TV account and her husband's business expenses, the District Court in Brisbane has heard.

Donna Healey was today sentenced to eight years in jail after she pleaded guilty to using her position as an administrative officer at Horizons Respite and Recreation Association to transfer money on 866 occasions into her own bank account.

Ms Healey was sacked in 2013 when the fraud was detected, but had worked at the not-for-profit centre for 15 years, the last four as administration manager.

The court heard the care organisation based in Redcliffe, north of Brisbane, helped families and individuals with severe disabilities and was unable to purchase important communications equipment because of the money the 54-year-old siphoned into her account.

In sentencing, Judge Deborah Richards said Ms Healey's actions were "calculated and callous".

"The people involved were very vulnerable members of our society that you've taken money from," Judge Richards said.

"Victim impact statements tendered indicated that as a result of the fraud, funds were not available for essential equipment, particularly equipment which enabled some of the more severely disabled people to communicate."

"[The fraud] was calculated and it was over a long period of time."



PHOTO: The long-time charity worker spent about \$2,500 a week on poker machines. (ABC News: Julie Hornsey)

Guide Dogs Victoria ex-manager avoids jail after stealing \$200k from charity for home renovations

By Karen Percy

Updated 19 Dec 2018, 1:51pm



PHOTO: Cirianni pleaded guilty to three charges of obtaining advantage by deception. (ABC News: Karen Percy)

A Melbourne man has avoided jail after defrauding a guide dogs charity of more than \$200,000 so he could renovate his home and install a pool.

LAW AND ORDER

Accused Catholic Church thief Kerry Keen “set-up” by colleague, District Court trial told

Jordanna Schriever, The Advertiser
May 24, 2019 9:14pm



A WOMAN accused of stealing more than \$300,000 from the Catholic Church to fund a lavish lifestyle has told the District Court the real thief was actually a colleague.

Defence lawyers for Kerry Ann Keen, 55, told a District Court trial she was “set up” by a colleague who collected the money parishioners donated during Catholic Church services across Adelaide.

Keen, pictured, has been charged with two counts of theft, one of which is aggravated, while employed by an Adelaide organisation to count money for other businesses, including the Catholic Church, between September 2010

Melbourne's leading women at war inside exclusive club

Lyceum Club manager pleads guilty to stealing furniture and \$354,820

By Samantha Hutchinson
August 14, 2019 – 1:06pm



TODAY'S TOP STORIES

TELECOMMUNICATIONS

Telstra chairman defends CEOs, sprays kids earning 'millions on Fortnite'

30 minutes ago



RETAIL

Target, Big W rapped for refusing faulty Dyson and PlayStation returns

1 hour ago



COURTS

Thirsty passenger faces huge legal bill after Emirates lawsuit fails



TELECOMMUNICATIONS

Australians could have had faster internet for 'fraction of the cost' of NBN



The former manager of Melbourne's exclusive Lyceum Club has pleaded guilty to stealing furniture and defrauding the club of more than \$350,000 since 2011, in a scheme understood to have involved skimming cash from tax receipts.

Peter Stratton pushed an *Age* cameraman onto the road and broke his camera after appearing in Melbourne's Magistrates Court on Wednesday, where a magistrate ordered the former manager to hand in his passport ahead of a pre-sentence hearing in December.

Stratton served as general manager of the exclusive women-only Lyceum Club from 2003 until 2018, and has been charged with obtaining property by deception.

The fraud started in January 2011 and continued until June of last year when it was discovered.

Victoria Police initially charged Stratton with 123 counts, but the charge list has been struck down to just four charges under a plea deal.



Behind a discreet facade, the club counts Quentin Bryce as a member. LUIS ASCUI

A simmering feud between some of Melbourne's most connected women appears headed for the courts, with a rebel group of Lyceum Club members preparing legal action to force a spill of the current board and expose the full extent of a \$500,000 fraud perpetrated against club members.

The battle for control of the 107-year-old women's only club, prompted by revelations that the Lyceum's long-serving general manager funnelled \$355,000 into his wife's bank account and filled his Richmond home with designer furniture bought with club money, has bitterly divided leading women in business, law and the arts.

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Luxury cars bought as part of multi-million NDIS fraud, police claim

Updated 22 May 2019, 11:50pm



PHOTO: One of the men taken into custody over the alleged NDIS fraud. (Supplied: NSW Police)

NSW Police have cracked an organised criminal syndicate they claim defrauded more than 70 people of National Disability Insurance Scheme (NDIS) payments to buy items such as luxury cars.

A specialised taskforce focused on NDIS fraud arrested five people at separate homes in Lumea and Liverpool, in Sydney's south-west, on Wednesday morning.

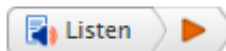
RELATED STORY: [Disability watchdog fields 1,500 serious incident reports against NDIS participants in six months](#)

Key points:

- The five were arrested at separate homes in Sydney's south-west on Wednesday morning
- They are accused of controlling three



[Home](#) > [Types of scams](#)



Fake charities

Scammers impersonate genuine charities and ask for donations or contact you claiming to collect money after natural disasters or major events.

- ▾ [How this scam works](#)
- ▾ [Warning signs](#)
- ▾ [Protect yourself](#)
- ▾ [Have you been scammed?](#)
- ▾ [More information](#)
- ▾ [Related news](#)
- ▾ [From the web](#)

How this scam works

Fake charities try to take advantage of your generosity and compassion for others in need.

 [Report this scam](#)

Fake charities statistics

September 2019 ▾

Amount lost

\$8 063

Number of reports

86

Reports with financial losses



NEWS

Woman lived high life on \$46k of sporting group money

 by [BLAKE ANTROBUS](#)

19th Feb 2018 5:00 AM



KOURTNEY Ellen Grace Turner lived the high life on more than \$46,000 she swindled from community-run sport groups.

Now the Fraser Coast woman will spend at least four months behind bars after being sentenced at the Hervey Bay Magistrates Court.

Turner, 36, pleaded guilty to four counts of fraud on Thursday.

The court heard Turner made hundreds of transfers to her personal banking account while she was treasurer of the Gayndah Gladiators Rugby League Club and the Gayndah Jockey Club between November 2016 and October 2017.

Police Prosecutor Kathryn Stagoll said Turner transferred \$29,069.43 from the Gladiator's club account to her personal one while treasurer.

"It appears that poor record keeping and accepting verbal treasurer's reports ensured she was able to continue with the offending," Sgt Stagoll said.

"The offending only stopped when the club's funds ran out."

Worst Football Club In The World

Financial reports not submitted to meeting for six months

Always excuses why information or statements could not be provided

Move to insist on information defeated

Two months later cheque bounced

Theft of \$36,000

Long term treasurer (12 years) going through divorce, began taking small amounts of cash, then larger until they couldn't be repaid.

Senior Citizens Group

- ▶ Cash bingo game with income in excess of \$1M per year
- ▶ Treasurer “paying” volunteers \$30 / hour to help (claimed it was expenses reimburse)
- ▶ Evidence collected that large amount of cash were never banked and lifestyle of treasurer was lavish for a retiree
- ▶ General meeting called to dismiss treasurer who refused to resign after criminal charge
- ▶ Members who were paid & others secured proxies
- ▶ Motion defeated
- ▶ Rest of management committee had to resign instead



The ACCC has seen horrific examples of charity scammers taking advantage of high profile tragedies like the Black Saturday bushfires and following last year's Bourke Street tragedy," she said.

"We've also seen some recent examples of charity scammers using the current drought to rip off people.

"The scammers have no shame. If they're not creating fake charities, they will impersonate real ones like the Red Cross, RSPCA, or Rural Fire Service."

A spokesperson for the RSPCA told Pro Bono News that to avoid succumbing to bogus callers, Australians should always ask for the caller's name, reference number and call back details.

"If they are hesitant to provide details, don't donate," the spokesperson said.

Rickard's warning comes during Charity Fraud Awareness Week (22 October to 26 October), and the ACCC has encouraged donors look up charities on the Australian Charities and Not-for-Profits Commission's

External Fraud



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Why is all of this important?

More than 20 charities stripped of status by national watchdog

By [Andrew Brown](#)
7 October 2018 – 12:00am



Multiple Australian charities have had their registrations revoked following recent compliance investigations by the national watchdog.

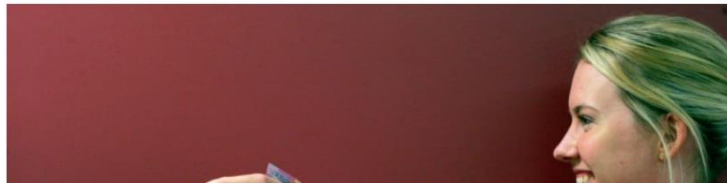


In numbers

22
Charities stripped of status in 2017-18

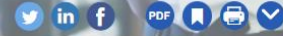
108
Investigations into charities in 2017-18

1869



The most common categories of concern related to fraud and financial mismanagement, including poor financial controls, inadequate due-diligence of employees and partners and a failure by the charity's responsible persons to act in the best interest of the charity...





[Home](#) > [Insights](#) > [Fraud Survey 2021](#)

22 March 2021 | 4 min read

[Key findings](#) | [Key considerations](#) | [Download factsheets](#) | [Watch the webinar](#) | [Connect with us](#)

Australian businesses report being more vulnerable to fraud and corruption than they were before the pandemic and there is no indication the risk is subsiding. However, technology could be the answer.

In early 2021, KPMG surveyed over 70 senior executives to explore the impact COVID-19 had on the fraud and corruption risk faced by Australian organisations both here and abroad. The research was undertaken 12 months after KPMG initially consulted executives from ASX200 companies and government agencies.



We were surprised to find that many businesses think the worst may still be to come in terms of fraud, given that widespread remote working may start to ease during 2021. Experience has shown that many internal controls don't travel well which would explain most finding the risks were higher last year.



Martin Dougall
KPMG Forensic Partner



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How Much & By Who?

A total of \$1,071,851 of fraud was suffered by organisations, surveyed representing an average of \$14,291 per fraud in 2010 (Extrapolates to over \$1B per annum)

36% of organisations in the development & housing category suffered fraud

The largest number of frauds occurred in the Social Services grouping

The most common type of fraud reported was cash theft (24%)

The average duration of the fraud was ten months.

Responding

- ▶ The majority of respondents did not report the fraud to police
- ▶ 36% of organisations did not terminate the employment of the person who committed the fraud
- ▶ 67% of organisations that suffered fraud did not recover any of the funds from the perpetrator



Cyber Fraud - An Emerging Menace

From: Accounts | Goldcoast City Council <accounts@goldcoastcitycouncil.org>
To: [REDACTED]
Cc:
Subject: Title: LG314/411/19/013 - SECURITY SERVICES

Sent: Mon 30/09/2019 5:32 PM

Good Afternoon,

Our Account Department has gone through a software update and I would like to ask if you can kindly forward all due invoices (**Contract Title: LG314/411/19/013 - SECURITY SERVICES**) to me at your earliest convenience so I can update our records and submit them for payment in timely manner.

Thank you.

Kind Regards,



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When To Contact Police

What evidence will they need to take action?



Police can help but need evidence ..

- ▶ A written complaint or statement
- ▶ Any documents that show the issues
- ▶ Witness statements
- ▶ Approximate costs involved (if any)
- ▶ You may choose to pay an investigator to put together evidence



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Preventing Fraud

- ▶ Internal controls are absolutely vital
- ▶ Money should be managed in an atmosphere of suspicion
- ▶ No-one should have 100% trust .. Everyone makes mistakes
- ▶ Cash handling & banking are the biggest areas of risk
- ▶ NEVER sign blank cheques
- ▶ NEVER give your club's banking details out



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Policy Bank



FRAUD RISK MANAGEMENT POLICY

will promptly arrange to carry out an initial review into the allegation.

2. After an initial review and a determination that the suspected fraud warrants additional investigation, the CEO (or Chair of the Board) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.
3. Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer), shall be taken by the appropriate level of management.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organization will make every effort to keep the investigation confidential; however members of the management team may need to be consulted to assist with a review / investigation.

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11.

Do I need to worry about fraud?

Yes. There's no point gilding the lily – fraud can and does happen in the not-for-profit sector.



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Not-for-Profit
Sector Banking

Damn Good Advice for Treasurers

Twenty-five questions a not-for-profit treasurer needs to ask.





Poor Governance Is A Risk

The company's downfall follows a rocky period marred by disappointing ambassadors and a revolving door of chief executives.

Anti domestic violence White Ribbon Australia enters liquidation

Anti domestic violence charity White Ribbon foundation has announced the company has entered liquidation and will "close its doors".



Phoebe Loomes [@dollyybird](#)



OCTOBER 3, 2019 8:20PM

Financial reports released in February showed the charity was in the red by more than \$840,000.

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Legal Aspects Of Club Money



Who Is The Regulator For Fundraising

Association



Fair Trading



We must give approval before you can fundraise. It is an offence to fundraise in Queensland without our approval.

Charity



ACNC



See OFT





Profit For Purpose

- ▶ Increasing changes to the NFP business environment and even more to come (ACNC)
 - ▶ Volunteer status doesn't protect you from failing to abide by relevant legislation
 - ▶ Non profit doesn't mean you shouldn't make one
 - ▶ Good committees understand they need to ensure the future of the business
 - ▶ Volunteers need to consider where they are best suited to volunteer
 - ▶ Reluctance to ask “hard” questions and insist on answers
- 



▶ Incorporation

- ▶ Incorporated Association
- ▶ **Unincorporated Association*****
- ▶ Company Limited by Guarantee or With Shares (ASIC)
- ▶ **Charitable Trust*****
- ▶ Co-operative
- ▶ Special Act of Parliament or Letters of Patent
- ▶ Union of Employers or Employees
- ▶ Church or Religious Group
- ▶ Indigenous Group



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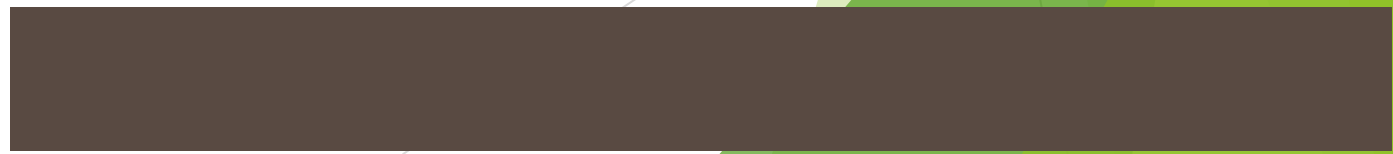


Who's Money Is It Anyway?

Your Committee responsibilities
in managing finances.

Corporations Law

- ▶ Duty to act in the interest of the members, so should operate independently and free from influence
- ▶ Act in good faith
- ▶ Exercise due care & diligence
- ▶ Ensure solvency





Who's Money Is It Anyway?

Your Committee responsibilities in managing finances.

Associations Incorporation Act (Queensland)

- Ensure all documents show Association's name, including internal documents (Sec 32)
- Have a bank account and Keep all property in the club's name (Sec 24)
- Obtain public liability insurance (Sec 70)
- Present financial reports according to level (Reg 9 & Sec 59)
- Control the Business and operations (Sec 60)
- Ensure financials are submitted to members at the AGM (Sec 59)



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Level Details	Audit Requirements	Insurance Requirements
Level 1 Turnover or Assets Over \$100,000 per annum	Full Audit To The AIA	Must have public liability insurance Must advertise level of insurance
Level 2 Turnover or Assets Between \$20,000 and \$100,000 per annum	Accountant to confirm accounts (not full audit)	May choose not to have public liability Must advertise level of insurance
Level 3 Turnover or Assets Under \$20,000 per annum	Treasurer's Statement only (check with your organisation first)	May choose not to have public liability Must advertise level of insurance

Incorporated Association Levels (After 15 June, 2007)



Insurance, Risk & Disaster

Public Liability

May be required by Incorporation
(Level?)

Association Liability

May be included in affiliation
**Check!

Cash Handling

May not be covered

Fraud

Is not automatically covered

Volunteers

May not be covered by affiliation
or insurance, even if affiliated

Assets

May be under or over insured

Risk

Formal risk assessment is vital for
every day operations & disasters

Disaster Recovery

Recent events prove a great club
will have a disaster recovery plan
and disaster mitigation plan!



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Tax Law

The screenshot shows the ATO website's 'Non-profit' page. The browser address bar displays 'https://www.ato.gov.au/Non-profit/'. The page features a search bar with the text 'Enter search term' and a navigation menu with options: Home, Individuals, Business, **Not-for-profit**, Super, Tax professionals, and About ATO. The main content area is divided into several sections:

- Getting started**
 - > Starting an NFP
 - > Know your legal structure
 - > What type of NFP is your organisation?
 - > What tax concessions are available?
 - > Register your NFP
 - > Other registrations
 - > Getting endorsed
- Gifts and fundraising**
 - > Receiving tax-deductible gifts
 - > Claiming tax deductions
 - > Valuing contributions and minor benefits
 - > Fundraising events
 - > Workplace and business support
 - > Tax and fundraising
 - > Helping in a disaster
 - > Gifts and fundraising for non-DGRs
- Your organisation**
 - > Do you have to pay income tax?
 - > GST
 - > Dealing with suppliers
 - > Investments, credits and refunds
 - > Records, reporting and paying tax
 - > State and territory taxes
 - > Changes to your organisation
- Your workers**
 - > Your obligations to workers and independent contractors
- Statements and returns**
 - > Activity statements
 - > Annual GST returns
- Key links**
 - > Not-for-Profit News Service
 - > Getting help
 - > Encouraging the tax syst

At the bottom right, there is a 'Ask Alex for help' button with an upward arrow. The Windows taskbar at the bottom shows the time as 11:15 AM on 5/10/2018.





Australian Consumer Law

Fundraising in an “organised, continuous and repetitive way”:

- the fundraising activities are continuous and repetitive
- the fundraising activities are organised and managed (through the use of business plans or fundraising strategies, measurement of fundraising goals and outputs, processes, policies and procedures, for example)
- the organisation that is fundraising uses resources (assets and employees, for example)
- the fundraising activities are promoted or marketed
- financial or other records of the fundraising activities are maintained.

Obligations under the ACL:

- it must not engage in misleading or deceptive conduct or unconscionable conduct; and
- if its fundraising activities also involve supplying goods or services, it must not make false or misleading representations or engage in unconscionable conduct in relation to the supply of those goods or services.



Whistle Blowing Legislation

- ▶ Not for profits incorporated organisations that meet the definition of a trading or financial corporation must comply.
- ▶ May include organisations incorporated under state or territory legislation if trading or financial corporations:
 - ▶ Incorporated associations
 - ▶ Other bodies corporate,
 - ▶ Incorporated organisations registered with ASIC as Australian registered bodies
 - ▶ Incorporated organisations registered with
 - ▶ the ACNS as charities
- ▶ All not-for-profit orgs structured as public companies limited by guarantee must already comply with the whistleblower protection provisions



Can We Raise
Funds?

The background features a dark blue gradient on the left and a vibrant green gradient on the right. Overlaid on these are several abstract network diagrams consisting of interconnected circles and lines, some in shades of brown and grey. The text is centered in the blue area.

Financial Monitoring & Reporting



Its Not Just The Treasurer's Job

We know the organisation is fine financially, besides we have the books audited, it not our responsibility...

...that's up to the Treasurer



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Treasurer's Job Description

- ▶ Maintain working level of petty cash
- ▶ Ensure money is received & promptly banked
- ▶ Invoice members, uniforms etc
- ▶ Prepare budgets
- ▶ Present monthly reports
- ▶ Prepare annual audit documents & liaise with accountants
- ▶ Maintain accurate records
- ▶ Be the signatory on club cheques
- ▶ File tax returns if required
- ▶ Manage club investment programs
- ▶ Arrange for necessary insurances



Recording Transactions



Use	Use either computerised or manual system
Cash	Cash book to record payments & banking
Produce	Produce a profit & loss each month to show performance
Record	Carefully record what you owe & what people owe you
Use	Use Year To Date reporting
Make	Make sure new purchases are added to the asset register if necessary
Keep	Keep a “loan out” register of who has what equipment, uniforms etc
Get	Get volunteers to sign a list of what they have
Prepare	Prepare a policy on use of club resources





Income

- ▶ Anything that earns money
 - ▶ Memberships
 - ▶ Game Fees
 - ▶ Canteen
 - ▶ Equipment Sales
 - ▶ Insurance
 - ▶ Membership Benefits
 - ▶ Other ?????



Expenses

- ▶ Insurance
- ▶ Maintenance
- ▶ Food & Beverage
- ▶ Telephone
- ▶ Postage
- ▶ Fees



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Monthly Financial Reports

- ▶ At least original bank statement & cash book report
- ▶ Best option
 - ▶ Profit & Loss Year to Date Vs Budget
 - ▶ Balance Sheet
 - ▶ Outstanding Debtors
 - ▶ Outstanding Creditors
 - ▶ Bank Reconciliation
 - ▶ Cash Flow



Sample Profit & Loss Report

XYZ Association Budget 2019													
Income	January	February	March	April	May	June	July	August	Sept	October	November	December	Total
Membership Fees	10,000	30,000	5,000	1,000	500	500	500	500	500	500	500	500	50,000
Conference													
Registrations	-	500	2,000	6,000	10,000	1,000	500	-	-	-	-	-	20,000
Sponsorship	-	-	5,000	10,000	5,000	-	-	-	-	-	-	-	20,000
Grants	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Fundraising	1,000	2,000	2,000	2,000	2,000	20,000	2,000	2,000	2,000	2,000	2,000	1,000	40,000
Events	-	1,500	-	-	1,500	-	-	1,500	-	-	1,500	-	6,000
Professional Development	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	-	15,000
Sales	200	300	500	500	500	500	500	500	500	500	300	200	5,000
Sundry	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Total Income	26,325	35,925	16,125	21,125	21,125	23,625	5,125	6,125	4,625	4,625	5,925	1,825	172,500
Expenditure													
Accounting/Audit	-	-	-	1,500	-	-	-	-	-	-	-	-	1,500
Advertising & Promotion	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Conference													
Venue/Food & Bev	2,000	-	-	-	-	-	18,000	-	-	-	-	-	20,000
Equipment & Staging	-	-	-	-	1,000	1,000	8,000	-	-	-	-	-	10,000
Registration materials	-	1,200	-	-	-	-	-	-	-	-	-	-	1,200
Cost of Sales	100	150	250	250	250	250	250	250	250	250	150	100	2,500
Grants	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Fundraising	500	500	500	2,500	2,500	500	500	500	500	500	500	500	10,000
Events	100	600	-	-	600	-	-	600	-	-	600	-	2,500
Professional Development	-	750	750	750	750	750	750	750	750	750	750	-	7,500
IT Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Rent	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Utilities	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Employment Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
General Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Printing & Postage	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Telephone	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Total Expenditure	11,580	12,080	10,380	13,880	13,980	11,380	36,380	10,980	10,380	10,380	10,880	9,480	161,760
Surplus/Deficit	14,745	23,845	5,745	7,245	7,145	12,245	- 31,255	- 4,855	- 5,755	- 5,755	- 4,955	- 7,655	10,740

The cash flow budget gives an indication of monthly performance and allows you to plan your expenditure

The final column is your total annual budget

XYZ Association Inc. Balance Sheet for the Period Ended [DATE]

	This Year	Last Year
ASSETS		
Current Assets		
Cash	25,452	21,689
Investments	120,000	120,000
Receivables	12,550	14,520
Inventories	1,250	1,680
Prepayments	600	0
Total Current Assets	159,852	157,889
Non-Current Assets		
Property, Plant & Equipment	18,500	23,500
Total Non-Current Assets	18,500	23,500
TOTAL ASSETS	178,352	181,389
LIABILITIES		
Current Liabilities		
Payables	2,450	7,580
Unearned Income	28,000	28,000
Provision for Annual Leave	6,600	6,300
Other Current Liabilities	0	2,500
Total Current Liabilities	37,050	44,380
Non-Current Liabilities		
Provision for Long Service Leave	14,000	12,000
Total Non-Current Liabilities	14,000	12,000
TOTAL LIABILITIES	51,050	56,380
NET ASSETS	127,302	125,009
EQUITY		
Reserves	52,950	52,289
Retained Surplus	74,352	72,720
TOTAL EQUITY	127,302	125,009

Equity comprises Reserves, being accumulated surpluses from previous years, and Retained Surplus being the Surplus for the current Year to Date. This should match up with the figure from your Profit & Loss Report. Total Equity and Total Assets should be the same figure. A healthy Association should have reserves at least equivalent to 3 months operating costs as a buffer against a serious problem



Current Assets are the things you own that are available to dispose of within the next 12 months.

Non-Current Assets are things you own that are not available for disposal in the next 12 months.

If Total Assets are greater than Total Liabilities, that's a sign your Association is in good shape.

Current Liabilities are things you owe that are payable within the next 12 months.

Non-Current Liabilities are things you owe that are not payable within the next 12 months.

Total Assets and Total Liabilities. A healthy Association will have a result in the black!

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Sample Assets Register

Information to be included in your Assets Register is quite simple and straight-forward and it should not be hard to update and maintain if done regularly.

Item No.	Description	Model No.	Serial No.	Purchase price	Purchase date	Current value	Location	Disposal date	Disposal method	Disposal price
1.	Canon photocopier, B & W, laser cartridge	CA4896-3	4763902FJ	\$3,500	01/02/2010	\$1,200	Print room	30/03/2014	Sale	\$800
2.	HP Pavilion Notebook, 4GB memory, Celeron processor, 15" screen.	HP OA41175	ZX83496 PF78A4	\$1,298	30/09/2012	\$433	Kate's office and home			
3.	Canon multi-function printer, scanner, photocopier, colour laser cartridge	CA7839-2	8395274SZ	\$2,500	01/04/2014	\$2,100	Print room			
More...										

This is the area where you describe each item, giving as much detail as possible.

Model of the item.

How much you paid for the item. If the item was a gift or you don't know, put in what it would cost to purchase a similar item at current market rates.

Where the item is kept / located.

The date the asset was sold/disposed of.

What you were paid for the asset (if anything).

Serial number of the item

The date you purchased or acquired the item

How much the item is currently worth – purchase price less depreciation

How you disposed of the item (sale or giveaway)

Budget Variance

ASSOCIATION OF ROTATIONAL MOULDERS AUSTRALIA INC 1 Jul 2019 to 30 Sep 2019

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var
Income							
ARMA Membership	9,038	9,000	38▲	0.4%▲	9,038	9,000	
AWTA Secretariat							
Insurance Commission							
Interest Received	974	500	474▲	94.7%▲	974	500	
Rototour Africa	220,300	220,000	300▲	0.1%▲	220,300	220,000	
Sale of Technical Resources	32	-	32▲	0.0%	32	-	
Webiste Advertising	14,300	11,000	3,300▲	30.0%▲	14,300	11,000	3,
Total Income	245,750	241,525	4,225	1.7%	245,750	241,525	
Gross Profit	245,750	241,525	4,225	2.0%	245,750	241,525	

YTD VS BUDGET P&L



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YTD VS BUDGET P&L

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Foreign Currency Gains and Losses	336	-	336▲	0.0%	336	-	336▲	0.0%
Germany 2018 [62318]	-	1,000	(1,000)▼	-100.0%▼	-	1,000	(1,000)▼	-100.0%▼
Hobart Conference 2020	982	-	982▲	0.0%	982	-	982▲	0.0%
Industry Education & Visits	56	-	56▲	0.0%	56	-	56▲	0.0%
Meeting Expenses	447	1,350	(903)▼	-66.9%▼	447	1,350	(903)▼	-66.9%▼
Motor Vehicle Expenses	272	225	47▲	20.9%▲	272	225	47▲	20.9%▲
New Zealand Office Expenses	543	900	(357)▼	-39.7%▼	543	900	(357)▼	-39.7%▼
New Zealand Salary	1,576	2,250	(674)▼	-29.9%▼	1,576	2,250	(674)▼	-29.9%▼
Office Rent	1,250	1,250	-	0.0%	1,250	1,250	-	0.0%
Office Supplies	1,010	1,980	(970)▼	-49.0%▼	1,010	1,980	(970)▼	-49.0%▼
Postage & Couriers	373	630	(257)▼	-40.7%▼	373	630	(257)▼	-40.7%▼
Software	5,051	4,860	191▲	3.9%▲	5,051	4,860	191▲	3.9%▲
Staff Training & Resources	1,173	1,000	173▲	17.3%▲	1,173	1,000	173▲	17.3%▲
Superannuation [62520]	8,604	8,500	104▲	1.2%▲	8,604	8,500	104▲	1.2%▲
Telephone & Internet	2,835	2,490	345▲	13.9%▲	2,835	2,490	345▲	13.9%▲
Wages & Salaries	90,638	91,000	(362)▼	-0.4%▼	90,638	91,000	(362)▼	-0.4%▼
Websites	386	1,050	(664)▼	-63.3%▼	386	1,050	(664)▼	-63.3%▼
Workers Compensation	816	700	116▲	16.6%▲	816	700	116▲	16.6%▲
Total Operating Expenses	294,594	311,395	(16,801)	-5.4%	294,594	311,395	(16,801)	-5.4%
Net Profit	(48,845)	(69,870)	21,025	30.0%	(48,845)	(69,870)	21,025	30.0%



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Understanding Your Audit

Some clubs must be audited every year (Sec 59)

Auditor should be appointed or confirmed every year at AGM

Exclusions of Persons Who Can Audit (Sec 59 (2))

- Member of committee

- Employee of the club

- Partner, employer or employee of the secretary or another member of the management committee

Audit reports must be lodged within 30 days of adoption unless exempted by FTO.

Auditor should provide an engagement letter prior to commencement.



Documents Required For Audit

- ▶ Receipt Book
- ▶ Receipt Book Register
- ▶ Bank Deposit Book
- ▶ Cheque Book
- ▶ Cash Book
- ▶ Wages Book (if required)
- ▶ Petty Cash Book
- ▶ Asset Register
- ▶ Minutes
- ▶ Register of Members
- ▶ Copies of invoices to and from the club
- ▶ Petty Cash vouchers & summary
- ▶ Payroll details
- ▶ Investment details showing interest payments
- ▶ Asset register
- ▶ Accounts receivable & payable
- ▶ Details of any other liabilities, leases, loans etc
- ▶ Stock take list for canteen and any items the club has for sale





What's In Your Audit

Statement of Income & Expenditure shows if your club made a profit or loss during the year

Statement of Assets & Liabilities (Balance Sheet) shows if how much your club owes and how much other people owe the club & value of everything you own

General Ledger shows reports of all transactions during the year

Asset Register shows everything you own



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Notes To The Accounts



- ▶ Qualified Audit
 - ▶ Except For: auditor disagrees with committee on accounting policies but doesn't warrant adverse opinion.
 - ▶ Adverse: when effects of disagreement are material and there is misleading or incomplete information
 - ▶ Disclaimer: limitation is so material the auditor is unable to express an opinion.



Drafting & Implementing A Budget

- ▶ Start with last year's audit
- ▶ Add about 3% to both income & expenditure
- ▶ Make some assumptions about what is likely to happen in the coming year eg membership up or down, expenses up.
- ▶ Report on Actuals to Budget every month
- ▶ Hold a half year review & adjust if necessary
- ▶ Consider approving all budgeted expenditure at the beginning of the year
- ▶ Leave it out of the drawer and use it every meeting!



Bank Accounts

- ▶ Lots of new options for non profits
- ▶ Can cater for multiple signatures online
- ▶ Cheque account plus term deposit is somewhat old fashioned solution
- ▶ Good management of bank accounts can reduce costs & save on fundraising



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Overview Features and Benefits Pricing

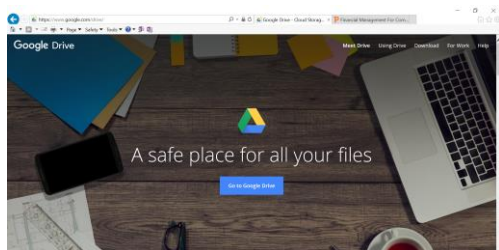
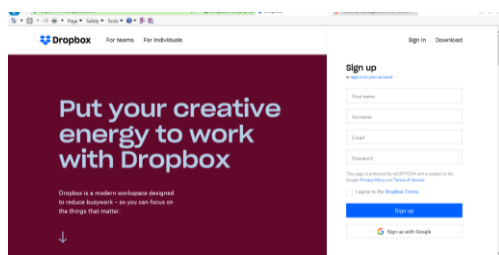
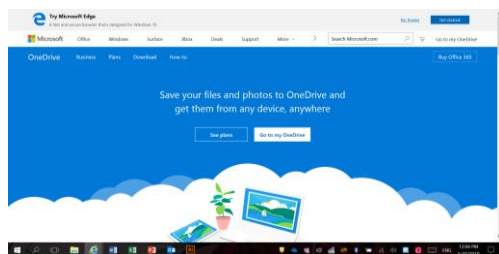
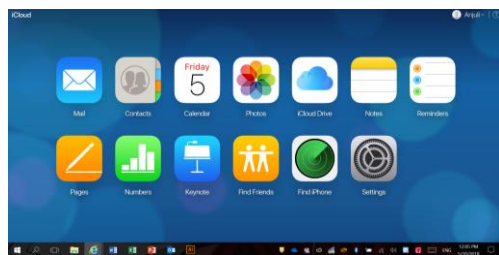
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AOO Downloads by Country.ods - OpenOffice Calc

Country	Population (per Downloads/Wikipedia)	Internet Users per Tk	AOO per 1K population	AOO per 1K internet users	Rank (AOO per Population)	AOO per 1K internet Users
188 San Marino	1,067	32,457	15,781	32,874	68	13
189 Netherlands	668,068	16,751,323	15,371,386	33,912	37	12
190 (Malta)	100	2,563	2,908	39,017	34	11
191 Finland	212,152	5,387,000	4,700,192	39,382	45	10
192 Switzerland	333,002	8,000,000	6,688,295	41,625	50	9
193 Estonia	55,255	1,254,000	981,457	42,701	56	8
194 Germany	3,802,587	81,799,000	67,521,522	44,042	53	7
195 Belgium	529,150	11,041,266	8,136,552	47,925	65	6
196 Ukraine	224,151	4,570,610	13,811,220	49,042	16	5
197 Italy	3,160,660	60,813,326	34,657,545	51,973	91	4
198 Luxembourg	29,788	517,000	457,451	57,517	65	3
199 Monaco	2,345	35,000	22,940	57,886	102	2
200 France	4,561,852	65,360,000	51,962,632	69,806	88	1
201 Poland	113,929	38,216,000	24,940,302	0.470	5	133
202 Indonesia	134,095	242,325,000	44,291,729	0.553	3	132

Downloads Per Country

Sheet 1 / 3 PageStyle_Sheet1



Get On The Cloud!

Keep records on “back end” of site or use group sites for storage! Google Drive and Dropbox can be accessed for free. iCloud has limited storage for free (Mac software only) (20GB) and OneDrive from Microsoft is part of your Office 365 subscription (100GB).



Do They Have Skills & Knowledge Or Just A Pulse?

Most clubs take anyone on the committee who steps forward (by attending the AGM)



Questionable results sometimes follow



A pulse shouldn't be our only requirement



Like it or not ... life changes and some things are getting harder (especially committees)

Provide Comprehensive Plans & Reports To Meetings

- ▶ Prepare a budget at the beginning of every year & monitor income & expenses to the budget.
- ▶ Ensure financial obligations are able to be met each month.
- ▶ Profit & Loss, Balance Sheet, Bank Reconciliation to every meeting.
- ▶ Make bank statements available to all.
- ▶ At least two people to count cash & make sure banking happens quickly!
- ▶ Never sign blank cheques.



Big Changes For Queensland Clubs in 2020 to 2023

- ▶ Association's Act is being reviewed
 - ▶ Mandatory governance principles
 - ▶ Increased penalties for leadership team members (especially on financial matters)
 - ▶ Mandatory complaints procedures which include an option for mediation
 - ▶ OFT is already offering some mediation services



47 Additional provisions in model rules

(1) If the rules of an incorporated association do not provide for a matter, and a provision of the model rules in force after the registration of the association provides for the matter (the *additional provision*), the rules of the incorporated association are taken to include the additional provision.

Level Details	Audit Requirements	Insurance Requirements
Level 1 (Large) Turnover or Assets Over \$100,000 per annum	Full Audit To The AIA	Must have public liability insurance Must advertise level of insurance
Level 2 (Medium) Turnover or Assets Between \$20,000 and \$100,000 per annum	Accountant to confirm accounts (not full audit)	May choose not to have public liability Must advertise level of insurance
Level 3 (Small) Turnover or Assets Under \$20,000 per annum	Treasurer's Statement only (check with your organisation first)	May choose not to have public liability Must advertise level of insurance

Incorporated Association Levels





59BB Declaration by chief executive that association is of different class

(1) An incorporated association may, for a financial year, ask the chief executive in writing to make a declaration stating that the association is taken to be a medium incorporated association or small incorporated association for the financial year.

(GREAT OPTION FOR FUNDING RECIPIENTS)





59 Keeping financial records

- (1) The members of the management committee of an incorporated association must ensure the association keeps financial records that—
- (a) correctly record and explain its transactions and financial position and performance; and
 - (b) enable a true and fair financial statement for each reportable financial year of the association to be prepared; and
 - (c) if the association is required under section 59AA to prepare an audit report—enable a true and fair audit report to be prepared; and
 - (d) if the association is required under section 59AB to prepare a verification statement—
enable a true and fair verification statement to be prepared.





59 Keeping financial records

Maximum penalty—

- (a) for each member of the management committee of a large incorporated association—20 penalty units; or
 - (b) for each member of the management committee of a medium incorporated association or a small incorporated association—10 penalty units.
- (2) A regulation may prescribe particular financial records to be kept by an incorporated association.



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59A Preparing annual financial statement

The members of the management committee of an incorporated association must ensure the association, within 6 months after the end date of each financial year for the association, prepares a financial statement for the association's last reportable financial year.

Maximum penalty—

(a) for each member of the management committee of a large incorporated association—20 penalty units; or ...



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59F Chief executive may require lodgment of financial information

(1) The chief executive may direct an incorporated association—

(a) to give the chief executive, within a stated period and in a stated way, stated financial information, including, for example, financial records, relating to the association;

and

(b) to cause the financial information mentioned in paragraph (a) to be audited, verified or examined by an auditor, accountant or approved person.

(2) If the incorporated association does not comply with the direction, each of the following persons commit an offence—

(a) the secretary of the association;

(b) the president of the association;

(c) the treasurer of the association.

Maximum penalty—20 penalty units.



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70B Disclosure of material personal interest

(1) A member of the management committee of an incorporated association who has a material personal interest in a matter being considered at a management committee meeting must, as soon as the member becomes aware of the interest, disclose the nature and extent of the interest to the management committee.

Maximum penalty—60 penalty units.



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70B Disclosure of material personal interest

(6) The members of the management committee of an incorporated association must ensure the details mentioned in subsection (5) are—

(a) recorded in the minutes of the meeting of the management committee at which the disclosure is made; and

(b) if a member of the association asks for the details—given to the member. M
Maximum penalty for each member of the management committee—4 penalty units.



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70C Voting on matter in which member has material personal interest

(1) A member of the management committee of an incorporated association who has a material personal interest in a matter being considered at a meeting of the management committee must not—

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter.

Maximum penalty—60 penalty units.





70C Voting on matter in which member has material personal interest

(4) If the management committee decides under subsection (3) that a member of the committee who has a material personal interest in a matter may be present at a meeting while the matter is being considered, or may vote on the matter, the committee must ensure that—

- (a) the committee’s decision is recorded in the minutes of the meeting and disclosed at the next general meeting of the association; and
- (b) details of the committee’s decision are given to a member of the association, if requested by the member.

Maximum penalty for each member of the management committee—4 penalty units.

(5) If there are not enough management committee members to form a quorum to consider a matter because of subsection (1)—

- (a) 1 or more committee members, including the members who have a material personal interest in the matter, may call a general meeting; and
- (b) the general meeting may pass a resolution to deal with the matter.





70D Disclosure of remuneration and other benefits

(1) The members of the management committee of an incorporated association must ensure the prescribed details of the remuneration paid or other benefits given for the financial year to the following persons, if any, is presented to the association's annual general meeting in the way prescribed by regulation—

- (a) each member of the management committee of the association;
- (b) each senior staff member of the association;
- (c) each relative of a person mentioned in paragraph (a) or (b).

Maximum penalty for each member of the management committee—10 penalty units.



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70E Duty of care and diligence

(1) An officer of an incorporated association must exercise the officer's powers and discharge the officer's duties with the degree of care and diligence that a reasonable person would exercise if that person—

- (a) were an officer of the association in the association's circumstances; and
- (b) occupied the office held by, and had the same responsibilities within the association as the officer.



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70F Duty of good faith

An officer of an incorporated association must exercise the officer's powers and discharge the officer's duties—

- (a) in good faith in the best interests of the association; and
- (b) for a proper purpose.

Maximum penalty—60 penalty units.



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70G Use of position

An officer of an incorporated association must not improperly use the officer's position to—

- (a) gain, directly or indirectly, a pecuniary benefit or material advantage for the officer or another person; or
- (b) cause detriment to the association.

Maximum penalty—60 penalty units.



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70H Use of information

A person who obtains information because the person is, or has been, an officer of an incorporated association must not improperly use the information to—

- (a) gain, directly or indirectly, a pecuniary benefit or material advantage for the person or another person; or
- (b) cause detriment to the association.

Maximum penalty—60 penalty units.



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70I Duty to prevent insolvent trading

(1) A person who was a member of the management committee of an incorporated association, or took part in the management of an incorporated association, at the time the association incurred a debt commits an offence if—

(a) the association was insolvent at the time the debt was incurred or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and

(b) immediately before the debt was incurred—

(i) there were reasonable grounds to expect that the association was insolvent; or

(ii) there were reasonable grounds to expect that, if the association incurred the debt, the association would become insolvent.

Maximum penalty—60 penalty units.



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70I Duty to prevent insolvent trading

(2) In any proceedings against a person under subsection (1) it is a defence if the accused proves that—

(a) the debt was incurred without the accused’s express or implied authority or consent; or

(b) at the time the debt was incurred, because of illness or for some other good reason, the accused did not take part in the management of the association; or

(c) at the time the debt was incurred, the accused had reasonable grounds to expect,

and did expect, that the association was solvent at that time and would remain solvent even if it incurred that debt and any other debts that it incurred at that time.



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70J Reliance on information or advice

(1) This section applies if the reasonableness of the reliance of an officer of an incorporated association on information or advice given to the officer arises in a proceeding brought to decide whether the officer has performed a duty under this Act or an equivalent duty at common law or in equity.

(2) Unless the contrary is proved, the officer's reliance on the information or advice is taken to be reasonable if—

(a) the information or advice was given or prepared by—

(i) an employee of the association whom the officer reasonably believed to be reliable and competent in relation to the matters concerned; or

(ii) a professional advisor or expert in relation to the matters that the officer reasonably believed to be within that person's professional or expert competence; or

(iii) another officer of the association in relation to matters within the other officer's authority; or





70J Reliance on information or advice

- (iv) a sub-committee of the association of which the officer was not a member in relation to matters within the sub-committee's authority; and
- (b) the reliance was made—
 - (i) in good faith; and
 - (ii) after making an independent assessment of the information or advice, having regard to the officer's knowledge of the association and the complexity of the structure of the association.



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91 Grounds on which winding up may be ordered

The Supreme Court may order the winding up of an incorporated association if—

(a) the association has suspended its operations, or has in effect been dormant, for at least 1 year; or ...



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153 Financial reporting obligations

The obligations under part 6, division 2 of an incorporated association, or members of the management committee of an incorporated association, apply to an incorporated association, or members of the management committee of an incorporated association, whether the association was incorporated before or after the commencement.





Penalty Units

- ▶ As of 1 July 2019, the value of a penalty unit is **\$133.45**
- ▶ 20 = \$2,669
- ▶ 60 = \$8,007



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Upcoming Changes

- ➔ From 1 July 2023, all self-assessing income exempt not-for-profits with an active Australian business number (ABN) will be required to complete an annual online self-review form which they will need to lodge with the ATO. In preparation, it is good practice to [review your entitlement](#) to the income tax exemption and call us if you think you've got it wrong. Phone our dedicated Not-for-profit Premium Advice Service on **1300 130 248** between 8.00am and 6.00pm, Monday to Friday.



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Check Out ATO Non Profit Guides

Income tax status review worksheet for self-assessing non-profit organisations

How to obtain this publication

You can download this publication in Portable Document Format (PDF) - download the [Income tax exemption and sporting clubs \(PDF, 227KB\)](#) [This link will download a file](#) (NAT 74141).

See also: Sporting organisations should use the worksheet in our guide [Income tax exemption and sporting clubs](#) (NAT 73773).



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Clubs with multiple purposes

Difficulties in working out main purpose arise if a club conducts both sporting and non-sporting activities and the non-sporting activities are not incidental or ancillary to the sporting activities.

The following activities originally offered for the recreation of sporting members may become significant themselves:

operating bar and dining facilities for extended periods beyond game time

having or operating significant gaming and other recreational facilities on club premises

owning temporary accommodation available to members and non-members for holiday rental.

If your club conducts significant non-sporting activities in addition to its sporting activities, difficulties may arise in determining your club's main purpose. You will need to ask:

Are the non-sporting activities my club engages in merely incidental or ancillary to the encouragement of the club's game, sport or animal racing?

Can my club justify to its members and the public that its main purpose is the encouragement of a game, sport or animal racing?

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