

Australian business number (ABN)

Provides an overview of ABNs for non-profit organisations

WHAT IS AN ABN?

The Australian business number (ABN) is a single identifier for use in dealings with the Tax Office and other government agencies.

HOW WILL AN ABN HELP YOUR NON-PROFIT ORGANISATION?

A non-profit organisation can use its ABN to:

- register for goods and services tax (GST) and claim GST credits
- register for pay as you go (PAYG) withholding
- apply to the Tax Office for endorsement as a deductible gift recipient, tax concession charity or income tax exempt fund
- interact with other government departments, agencies and authorities, and
- interact with the Tax Office on other taxes, such as fringe benefits tax (FBT).

WHO IS ENTITLED TO AN ABN?

To be entitled to an ABN your organisation must be:

- a company registered under the *Corporations Act 2001*
- an entity carrying on an enterprise in Australia
- an entity that, in the course or furtherance of carrying on an enterprise, makes supplies that are connected with Australia
- a government entity
- a non-profit sub-entity for GST purposes, or
- a superannuation fund.

An entity for ABN purposes means an individual, a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund. Entities can include charities, non-profit clubs and associations.

An enterprise includes an activity or series of activities performed by:

- a gift deductible entity
- a charitable institution
- a trustee of a charitable fund
- a religious institution, or
- an income tax exempt fund.

! Your organisation must have an ABN if it is seeking endorsement as:

- a tax concession charity or income tax exempt fund, and/or
- a deductible gift recipient.

IF YOUR ORGANISATION CARRIES ON A NUMBER OF ENTERPRISES WILL YOU NEED TO REGISTER AN ABN FOR EACH?

Your organisation should register for one ABN, regardless of the number of enterprises that you carry on. However, if your organisation also carries on an enterprise in a different entity capacity, for example, both as a non-profit company registered under the *Corporations Act* and as trustee for a trust, you should register for an ABN in each entity capacity. It is the entity, not the enterprise, that can register for an ABN.

If your organisation is a subsidiary of a governing body, we advise that you discuss ABN registration with your governing body.

EXAMPLE

A charity is an entity and has three branches – a ‘drop in’ centre, a sheltered workshop and an opportunity shop. It will have only one ABN that covers all these activities, unless it registers one or more of the activities as a non-profit sub-entity for GST purposes.

However, one of the above activities is conducted through a separate trust. The trustee of that trust can apply for an ABN in that capacity.



HOW DO YOU REGISTER YOUR ORGANISATION AS A NON-PROFIT SUB-ENTITY?

Charities, deductible gift recipients (DGRs), government schools and certain other non-profit organisations that are registered for GST may choose to register a branch as a non-profit sub-entity. A non-profit sub-entity maintains an independent system of accounting, is separately identifiable by its activities or location, and is referred to in the entity's records as a separate entity for GST purposes. For example, units could include a branch, fete, lamington drive or fundraising dinner. This means that where the unit's turnover is less than \$150,000, the unit can choose whether it registers for GST or not.

ABN registration as a non-profit sub-entity for GST purposes cannot be used by the sub-entity for any other purpose, for example, to apply for endorsement as a DGR.

EXAMPLE

A school is constituted as a company and also operates a public library. The school has an ABN and the library also applies for an ABN for GST purposes as it meets the requirements of a non-profit sub-entity.

The library cannot apply for endorsement as a DGR in its own right. The school will have to apply for endorsement in relation to the library. The library, however, can use its ABN for GST purposes.

WHAT IS THE AUSTRALIAN BUSINESS REGISTER?

When an organisation applies for and receives their ABN, the business details from their application are recorded in the Australian Business Register (ABR).

The ABR was designed to reduce red tape for business. It allows businesses to update their business information online and then have these changes broadcast to government agencies with a business use and legal right to this information.

This cuts down on time-consuming and duplicative paperwork that businesses interacting with a variety of government agencies would need to complete.

You can do an online search for an organisation's endorsement details at www.abn.business.gov.au

HOW DOES YOUR ORGANISATION APPLY FOR AN ABN?

Your organisation can apply for an ABN:

- electronically, through
 - the Australian Business Register at www.abr.gov.au if all you want to do is apply for an ABN
 - the Australian Government business website at www.business.gov.au where you can also attend to other government obligations
- on a paper form, available by phoning the Tax Office on **13 28 66**, or
- through a tax agent.

HOW DO YOU REGISTER YOUR ORGANISATION FOR GST AND OTHER TAXES?


If your organisation needs to register for GST, FBT or PAYG withholding, it can do so by selecting these options on the ABN application form.

If your organisation already has an ABN and needs to register for GST or other taxes, you will need to complete the form *Add a new business account* (NAT 2954).

HOW DO YOU KEEP YOUR REGISTRATION DETAILS UP TO DATE?

Your organisation's ABN details are recorded on the Australian Business Register and we use them in dealings with your organisation. The register includes information such as your organisation's postal address, and it also helps us identify your authorised contact people. It is important that the information we hold is accurate and up to date.

As many non-profit organisations elect office bearers for an annual term, their authorised contact people often change from year to year. Please notify us of any changes to your organisation's registration details. This helps us to protect your organisation's privacy and provide office bearers with access to the information they need to perform their duties.

 For more information, refer to *How do I ensure the Tax Office can speak to my organisation's representative?* (NAT 7605).

HOW DO YOU CANCEL YOUR ORGANISATION'S REGISTRATION?

If your organisation's circumstances change, you may need to cancel its registration for one or more taxes.

In this case, you will need to complete the form *Application to cancel registration* (NAT 2955) to cancel your organisation's registration for:

- ABN
- goods and services tax
- luxury car tax
- wine equalisation tax
- pay as you go withholding, or
- fuel tax credit.

➤ MORE INFORMATION

To obtain copies of our publications, you can:

- visit our website at www.ato.gov.au/nonprofit
- phone **1300 720 092** and quote the NAT number above (which is a unique national identifying number we give each of our publications, for example, NAT 7605)
- write to us at **GPO Box 9990 in your capital city**, or
- obtain a fax by phoning **13 28 60**.

To speak with staff trained to deal with non-profit enquiries phone **1300 130 248**.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you have a speech impairment and do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you follow advice in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it. However, we will not charge you a penalty or interest if you acted reasonably and in good faith.

If you make an honest mistake when you try to follow our advice and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

You are protected under GST law if you have acted on any GST advice in this publication. If you have relied on GST advice in this publication and that advice later changes, you will not have to pay any extra GST for the period up to the date of the change. Similarly, you will not have to pay any penalty or interest.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

The information in this publication is current at October 2007. We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.