



Are you thinking about starting an NFP?

If you're starting an NFP, there's some things you'll need to know to get up and running and access tax concessions.

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If you've decided to start a not-for-profit (NFP), you need to be aware of the tax and super obligations that come with it.


Once you have chosen an appropriate legal structure for your NFP, you may need to register for an Australian business number (ABN). You need an ABN to register with us for tax obligations such as PAYG, GST or FBT, or if you are seeking endorsement for tax concessions or deductible gift recipient (DGR) status.

Types of NFPs

An NFP is an organisation that operates for its purpose, as outlined in its governing documents, and not for the profit or personal gain of its individual members.

Depending on the type of NFP, your organisation may either be eligible for a range of tax concessions or it may need to pay income tax.

NFPs fall within 3 broad categories:

- Charitable NFPs – NFPs with only charitable purposes that meet the legal definition of a charity must be registered with [the Australian Charities and Not-for-profits Commission \(ACNC\)](#)  and endorsed by us to access tax concessions or deductible gift recipient (DGR) status. NFPs with only charitable purposes that choose not to register with the ACNC, are not eligible to self-assess as income tax exempt, and will not be exempt from income tax. They are taxable and may be required to lodge an annual income tax return.




- NFPs that self-assess as income tax exempt – An NFP can self-assess as income tax exempt if it is not a charity and meets the requirements of one of **8 specific categories** set out in tax law. Self-assessing NFPs with an active ABN are required to lodge an **annual NFP self-review return** each year by 31 October to notify us of their eligibility to self-assess as income tax exempt.
- Taxable NFPs – NFPs that aren't eligible to self-assess as income tax exempt, or those with only charitable purposes that are not registered as a charity with the ACNC and endorsed by us, are taxable. If you're a taxable NFP you may have to lodge an income tax return and pay tax or notify us of a non-lodgment advice.

We recommend you review your organisation's entitlement to tax concessions on an annual basis and whenever there is a change in your structure or operations.

Getting it right from the start

Starting an NFP is a lot like running a business – in particular, a lot of the same tax and super obligations apply. Our small business resources and guidance may help you **get ready for running your NFP**. The resources explain key tax, super and registration obligations you need to consider so you can start your NFP journey on the right foot. This includes some important information you need to know if your NFP will employ staff.

Need more help?

- Visit **Starting an NFP** or phone us: **1300 130 248** between 8:00 am and 6:00 pm, Monday to Friday.
- Read more articles in the **Not-for-profit newsroom** and, if you haven't already, [subscribe](#)  to our free monthly newsletter Not-for-profit news to be alerted when we publish new articles.
- For updates throughout the month, Assistant Commissioner Jennifer Moltisanti regularly shares blog posts and updates on her [LinkedIn](#)  profile. And you can check out our online platform [ATO Community](#)  to find answers to your tax and super questions.

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