



Gifts and fundraising

Information for not-for-profits and their supporters about the tax rules for donations, gifts and fundraising.

Receiving tax-deductible gifts

To be eligible to receive tax-deductible gifts, your organisation must be a deductible gift recipient (DGR).

Tax deductible donations

If you can claim, how much you can claim, when you can claim, what records you need to keep when you make a donation.

Valuing contributions and minor benefits

Contributors' responsibility for finding the value of a contribution made to a DGR for an eligible fundraising event.

Fundraising events

The factors that will affect your tax, whether you are running or supporting fundraising events.

Workplace and business support

Tax and fundraising

The various taxes that may apply to the running of your not-for-profit (NFP) organisation.

Helping in a disaster

Donations to help the victims of a disaster in Australia or overseas are tax deductible if made to a DGR.

Gifts and fundraising for non-DGRs

You can start your own DGR, collect for an established DGR or collect funds without supporters getting a tax deduction.

In detail

Detailed information about gifts and fundraising for not-for-profit organisations.

QC 33652

Receiving tax-deductible gifts

To be eligible to receive tax-deductible gifts, your organisation must be a deductible gift recipient (DGR).

Last updated 25 July 2017

When people donate to your organisation they may seek a tax deduction.

To receive such a deduction, certain requirements must be met.

The most important things for you to do to ensure your donors can claim tax deductions are:

- ensure your organisation is a DGR
- understand gift and contribution conditions
- provide receipts with specific information.

A donor will follow different rules for claiming a tax deduction depending on whether their donation is a gift or a contribution, so it's also important you understand the difference between a gift and a contribution:

- A donor **does not** receive material benefit in return for their **gift** (for example, a donor puts \$5 in a collection box)
- A donor **does** receive a material benefit in return for their **contribution** (for example, a donor purchases a ticket to a fundraising dinner).

Find out about:

- [Gift types and conditions](#)
- [Receipts](#)

See also:

- [Types of DGRs](#)

Gift types and conditions

To be tax deductible, your donor's gift must be covered by a gift type, the most common one being a gift of money of \$2 or more. Their gift may meet the requirements of more than one deductible gift type. They can use the gift type that is most appropriate for the gift.

Receipts

As a DGR you are not required to issue a receipt but if you do you must include certain information.

Gift types and conditions


To be tax deductible, your donor's gift must be covered by a gift type, the most common one being a gift of money of \$2 or more. Their gift may meet the requirements of more than one deductible gift type. They can use the gift type that is most appropriate for the gift.

Last updated 25 July 2017

Conditions

People can donate to charities in whichever way they please.

However, if donors are seeking tax deductions for their donations, certain rules apply. This includes the gift meeting the following requirements. The gift must:

- be made to a [deductible gift recipient \(DGR\)](#) 
- truly be a gift
- fall within at least one of our 'gift types'
- comply with any extra [gift conditions](#).

What is a gift?

- There is a transfer of money or property
- The transfer is made voluntarily
- The donor does not expect anything in return for the gift
- The donor does not materially benefit from the gift.

If the donor benefits from the donation, it may still be tax-deductible as a contribution.

Tax deductible gift types

To be tax deductible, a donor's gift must be covered by what we call a 'gift type'.

If their gift falls into more than one gift type category, they can choose the gift type that is most appropriate.

If someone donates any of the following to your DGR they may be able to claim a tax deduction:

- **Money:** Gifts of \$2 or more
- **Property:** As well as physical things (such as land and objects), property includes rights and interests that can be owned and have a value (such as shares and ownership rights)
- **Cultural items:** If your organisation is a public art gallery, museum or library the Cultural Gifts Program allows you to receive gifts of cultural items. These donations are exempt from capital gains tax (CGT) and your donor may be able to claim a tax deduction
- **Heritage gifts:** If your organisation is a National Trust and you receive a heritage gift to preserve it for the benefit of the public, your donor may be able to claim a tax deduction.

See also:

- [Gift types, requirements and valuation rules](#)
- [Is it a gift or contribution?](#)

Acknowledgment in appreciation of a payment

Even if you give the donor a small token in acknowledgment of a payment, the payment may still be a gift.

For example you may give a donor the following for a gift:

- a sticker or lapel badge
- a mention in a newsletter or periodical
- a plaque, if it is of small cost and prominence.

However, if you give larger acknowledgments for example in the form of commercial advertising, it may prevent the payment from being a gift. If a donor incurs advertising and sponsorship expenses when deriving assessable income they may be able to claim a tax deduction as an expense, rather than as a gift.

Multi-purpose appeals

If you are conducting an appeal for more than one purpose (and not all of the purposes are for the benefit of DGRs), your donor must state how much of their gift will be given to the DGR.

Your donor can make a pledge on a contribution envelope or a pledge form to the fundraising body, specifying the name of each DGR and the amount or percentage of the total to be applied to each DGR. Your donor can only claim a deduction for the amount of the gift donated to DGRs.

Alternatively, the terms of the appeal may state the proportion to be applied to each DGR. Your donor can claim a deduction for the stated proportion of the gift.

Example: Split DGR fundraisers

Sandy is a parent of a year seven student. Her daughter's school is asking for annual donations to:

- The year seven netball team
- The debating society
- The school building fund.

The school is endorsed as a DGR only for its school building fund - meaning only funds to the school building fund are deductible. Sandy decides to donate \$50 to the netball team, \$20 to the debating society, and \$30 to the school building fund. Sandy fills out the form provided by the school, which clearly shows where she would like her money donated. Sandy can claim \$30 as a tax deduction, as the school has DGR status for the building fund only.

QC 46262

Receipts

As a DGR you are not required to issue a receipt but if you do you must include certain information.

Last updated 25 July 2017

As a DGR you are not required to issue a receipt, but if you do you must include certain information. If you don't include the specified information in your receipts, your DGR endorsement may be revoked.

There are three situations where you may issue a receipt:

- you receive a gift
- you receive a contribution for a fundraising event
- you sell goods through an auction

Gifts

When you receive a gift the receipt must include:

- the name of your organisation (an abbreviation will be acceptable where the full name of your organisation cannot be shown on the receipt – however if the abbreviation does not readily identify your organisations you may need to publish the abbreviation publicly, such as on your website).
- your Australian business number (ABN).
- a note that the receipt is for a gift.

You can also include:

- the amount of money donated
- a description of the gift if it was property
- the date the gift was given.

Contributions for fundraising events

If you run a fundraising event the receipt must include:

- the name of your organisation (an abbreviation will be acceptable where the full name of your organisation cannot be shown on the receipt – however if the abbreviation does not readily identify your organisations you may need to publish the abbreviation publicly, such as on your website).
- your Australian business number (ABN).

- a note that the receipt is for a contribution made in return for a right to attend, or participate in, the fundraising event
- the amount of the contribution – if the contribution is money
- the GST-inclusive market value of the benefit received in return for the contribution (that is, the right to attend the event).

Contributions for auctions

If you sell goods at an auction event the receipt must include:

- The name of your organisation (an abbreviation will be acceptable where the full name of your organisation cannot be shown on the receipt – however if the abbreviation does not readily identify your organisations you may need to publish the abbreviation publicly, such as on your website).
- your Australian business number (ABN).
- a note that the receipt is for a contribution made for the purchase of goods or services
- the fact the contribution was made because the contributor was a successful bidder at an auction that was a fundraising event
- the amount of the contribution – if the contribution is money
- the GST-inclusive market value of the goods or services received in return for the contribution.

If you choose not to issue a receipt, it may be helpful to let your donors know they can use other records for their tax return, such as bank statements.

See also:

- [Valuing contributions and minor benefits](#)
- [Keeping a record of your donation](#)

QC 52957

Tax deductible donations

If you can claim, how much you can claim, when you can claim, what records you need to keep when you make a donation.

Last updated 25 July 2017

If you have donated to an NFP you may be able to claim a tax deduction.

The following information will help you determine: if you can claim, how much you can claim, when you can claim, what records you will need to keep and what other income tax matters apply.

Find out about

- [Is it a gift or contribution?](#)
- [Gift types, requirements and valuation rules](#)
- [Other income tax consequences](#)
- [How donors get valuations](#)
- [When can I claim?](#)
- [Keeping a record of your donation](#)

See also

- [Claiming political contributions and gifts](#)
- [Claiming conservation covenant concessions](#)

Is it a gift or contribution?

When you make a gift, you do not receive a material benefit in return for your payment. When you make a contribution you do receive a benefit in return.

Gift types, requirements and valuation rules

There are many different ways you may choose to donate. The

Other income tax consequences

There are other income tax consequences of making a gift to a DGR such as tax losses and capital gains tax.

How donors get valuations

To claim a tax deduction for the value of a gift or contribution made to a deductible gift recipient (DGR), the supporter is required to find out the market value of the gift or contribution. How a supporter will work out the market value of the gift or contribution will depend on the type of gift or contribution they are making.

When can I claim?

Donors and contributors can claim a tax deduction for most gifts and contributions. For certain gifts, donors can choose to spread the deduction over a period of up to five years.

Keeping a record of your donation

Donors and contributors should keep records of all tax deductible gifts and contributions they make. This will help them prepare their tax returns and as evidence in case we check their claims.

QC 46276

Is it a gift or contribution?

When you make a gift, you do not receive a material benefit in return for your payment. When you make a contribution you do receive a benefit in return.

Last updated 25 July 2017

When you give a gift or make a contribution to a NFP that is a deductible gift recipient (DGR) you may be able to claim a tax deduction. The amount you can claim will depend on the type of gift or contribution you make.

Broadly speaking:

- A **gift** is a donation of money or property made voluntarily with no material benefit to the donor. It must fall within our definition of a 'gift type'.
- If you receive a material benefit – that is if the donor receives something which has a monetary value from the DGR in return for their donation – the donation is called a **contribution**.


You will follow different rules for claiming tax deductions depending on whether your donation is a gift or a contribution.

Gifts

Conditions

People can donate to NFP's in whichever way they please.

However, when you are seeking tax deductions, certain rules apply. This includes the gift meeting the following requirements. The gift must:

- be made to a [deductible gift recipient \(DGR\)](#) 
- truly be a gift
- fall within at least one of our 'gift types'
- comply with any extra gift conditions.

What is a gift?

- There is a transfer of money or property
- The transfer is made voluntarily
- The donor does not expect anything in return for the gift
- The donor does not materially benefit from the gift.

Who can claim?

A tax deduction for a gift is claimed by the person or organisation that makes the gift (the donor). A donor can be:

- An individual
- A company
- A trust
- Another type of taxpayer.

What is not a gift for tax purposes?

The following examples are not gifts:

- buying items at a charity auction
- purchases of raffle tickets and art union tickets
- buying chocolates, pens and similar low cost items
- the cost of attending a fundraising dinner or concert, even if the cost exceeds the value of the dinner
- membership fees
- making a payment to a school building fund as an alternative to an increase in school fees
- providing a service – for example, a volunteer can't claim a deduction for their expenses in carrying out the voluntary work or the value of their unpaid work
- any payments made if you have an understanding with the donor that the payments will be used to provide a benefit to them
- gifts made under a will
- gift vouchers donated to a DGR.

See also:

- [Fundraising events](#)

Contributions

What is a contribution?

You receive a material benefit in return for your contribution (for example, you purchase a ticket to a fundraising dinner).

Conditions

For a contribution to be tax-deductible, it must:

- be made to a DGR
- be in respect of an [eligible fundraising event](#)
- be an eligible contribution
- comply with any [extra conditions](#) that apply to some DGRs.

See also:

- [Extra conditions for some DGRs](#)

Who can claim?

A tax deduction for a contribution can only be claimed by an individual taxpayer.

Other deductions

Advertising or sponsorship

If you are a business and you support a DGR through advertising or sponsorship this is generally not a gift. You may be able to claim a tax deduction as a business expense.

See also:

- [Income and deductions for business](#)
- [Acknowledgment in appreciation of a payment](#)
- [Multi-purpose appeals](#)

QC 52958

Gift types, requirements and valuation rules

There are many different ways you may choose to donate. The type of donation you make will impact your tax.

Last updated 25 July 2017

Here we have listed the many ways in which you may choose to donate, and the requirements you and your chosen NFP must meet if you want to claim a tax deduction.

Find out about

- [Gifts of \\$2 or more](#)
- [Property purchased during the 12 months before making the gift](#)
- [Property we value at more than \\$5,000](#)
- [Shares valued at \\$5,000 or less](#)
- [Trading stock](#)
- [Donating under the Cultural Gifts Program](#)
- [Heritage gifts](#)

See also

- [When can I claim?](#)

Gifts of \$2 or more



If a donor makes a gift of money of \$2 or more they may be able to claim a tax deduction. Money includes foreign currency and can be paid to you in various ways, including by cash, cheque, credit card or electronically. They can add together a series of gifts to you in an income year to work out whether their gift is \$2 or more.

Donating recently purchased property to a DGR



If a donor makes a gift of property within 12 months of

Property we value at more than \$5,000

If a donor makes a gift of property that we value at more than \$5,000 they may be able to claim a tax deduction.

Shares valued at \$5,000 or less

If a donor makes a gift of listed shares valued at \$5,000 or less within 12 months of acquiring them, they may be able to claim a tax deduction.

Trading stock

If a donor makes a gift of trading stock disposed of outside the ordinary course of their business, they may be able to claim a tax deduction.

Donating under the Cultural Gifts Program

If a donor gives a culturally significant item to a public art gallery, museum or library they may be entitled to a tax deduction for the market value of the gift. Also, property donated under the program is exempt from capital gains tax (CGT).

Heritage gifts

Claiming tax deductions for gifts of outstanding natural, Indigenous, historic heritage or cultural significance.

QC 46277

Gifts of \$2 or more

If a donor makes a gift of money of \$2 or more they may be able to claim a tax deduction. Money includes foreign currency and can be paid to you in various ways, including by cash, cheque, credit card or electronically. They can add together a series of gifts to you in an income year to work out whether their gift is \$2 or more.

Last updated 25 July 2017

If you donate \$2 or more to a NFP that is a deductible gift recipient (DGR) you may be able to claim a tax deduction. A gift of money less than \$2 is not tax deductible. However, you can add together a series of gifts to a DGR in an income year to work out whether your gift is \$2 or more.

You can give it to the DGR in various ways, including by cash, cheque, credit card or electronically.

You can donate using foreign currency. The amount of the donation would need to be converted to Australian dollars to determine the amount of the deduction.

Example – Adding up small donations

For the last 20 weeks of the income year, Elizabeth participated in a workplace giving program. She had \$1.50 deducted from her weekly pay. Her employer sent the money to the DGR weekly.

Elizabeth can claim \$30 as a gift deduction on her tax return for that income year. While each gift to the DGR is \$1.50, her total gift to the DGR that income year is \$2 or more.

QC 26066

Donating recently purchased property to a DGR

If a donor makes a gift of property within 12 months of purchasing it, they may be able to claim a tax deduction.

Last updated 25 July 2017

If you purchase property and within 12 months donate it to a deductible gift recipient (DGR), you may be able to claim a tax deduction.

To be tax deductible under this gift type:

- you must donate the property within 12 months of purchasing it
- the value of the gift must be \$2 or more.

However, if you purchase property more than 12 months before making the gift it may still be tax deductible under another gift type.

Example 1 – Property purchased more than 12 months before donation

Isabelle purchased a car in December 2015 for \$15,000. She donated it to a DGR in January 2017. She is not eligible for a deduction under this gift type, as she purchased the car more than 12 months before donating it. However, she may be able to claim a deduction under another gift type, for example, Property we value at more than \$5,000.

What is property?

Property has a wide meaning, it is more than just physical things (such as land and objects). It includes rights and interests that can be owned and have a value (such as shares and ownership rights).

Property that was not purchased

Property is purchased if it is acquired by way of sale for money or some other form of payment. Property that has not been purchased includes prizes won in raffles, property received as a gift and inherited property. Property that has not been purchased is not tax deductible under this gift type.

Example 2 – Donating a raffle winning

Giulia wins a desk in a raffle. If she donates the desk to a DGR, the gift will not meet the requirements of this gift type (as she did not purchase it). She could check if it was covered by another gift type that applied to the DGR.

How much can I claim?

The tax deduction you can claim is the lesser amount of either the:

- market value of the property on the day the gift is donated
- amount you paid for the property.

It is up to you, not the DGR, to find out the market value of the gift.

If you are not registered for GST (and not required to be) you do not need to adjust the market value.

If you are registered for GST (or required to be registered) the market value is reduced by the amount of GST credit you would have been entitled to if:

- you had purchased the property at the time you made the gift
- the purchase had been only for a purpose that GST credits would apply to.

Example 3 – Donations that cost more than the market value

Clarence purchases a computer for \$1,800 and donates it to a DGR 10 months later. The market value of the computer at the time Clarence made the gift is \$1,200.

Clarence cannot claim \$1,800 because the market value is less than the amount he paid. He can only claim \$1,200.

Example 4 – Reducing the market value by the amount of GST credit

Fran runs a restaurant and is registered for GST. She donates some of the restaurant's kitchenware to a DGR on 7 November 2014. Its market value on that day (including GST) was \$2,200.

If she had purchased the kitchenware for \$2,200 on that day for use only in the restaurant, she would have been entitled to a GST credit of 1/11th of the cost. Therefore, she would have been able to claim back \$200 of GST on the purchase.

As a result, the market value of the kitchenware for gift deduction purposes would be \$2,000 (that is, \$2,200 minus \$200).

If Fran was not registered for GST and was not required to be registered, the market value would be \$2,200.

Next steps:

- [How donors get valuations](#)

See also:

- [Property we value at more than \\$5,000](#)
- [When can I claim?](#)
- [Other income tax consequences](#)

QC 26065

Property we value at more than \$5,000

If a donor makes a gift of property that we value at more than \$5,000 they may be able to claim a tax deduction.

Last updated 25 July 2017

If you give a gift of property to a deductible gift recipient (DGR) that we (the ATO) value at more than \$5,000, you may be able to claim a tax deduction.

Property is **not** tax deductible under this gift type if it is valued at less than \$5,000.

However, if you purchased it within 12 months before making the donation it may still be tax deductible, no matter how much it is worth.

What is property?

Property has a wide meaning, it is more than just physical things (such as land and objects). It includes rights and interests that can be owned and have a value (such as shares and ownership rights).

How much can I claim?

If your gift is property valued by us at more than \$5,000 and you:

- purchased the property more than 12 months before donating it you can claim a tax deduction for the amount we valued the property on the *Valuation certificate*.
- did not purchase the property (for example, won or inherited it) and donated it at any time you can claim a tax deduction for the amount we valued the property on the *Valuation certificate*.

Example 1 – Property valued at more than \$5,000

During 2014 Michael donated a block of land to a DGR. He purchased the land in 1980 for \$50,000. He applied to the ATO for a valuation in 2014 and in the *Valuation certificate* the land was valued at \$150,000. Michael can claim a deduction for the amount of the valuation (that is, \$150,000).

Example 2 – Did not purchase the property

In November 2016 Peter donated a signed sports jersey that he had won in a lottery to a DGR. He won the lottery in April 2016. The lottery valued the jersey at \$10,000. Michael cannot use the lottery valuation to claim a tax deduction as he did not purchase the property. He applied to the ATO for a valuation and in the *Valuation certificate* the jersey was valued at \$12,000. Michael can claim \$12,000.

Next steps:

- [How donors get valuations](#)

See also:

- [Property purchased during the 12 months before making the gift](#)
- [Shares valued at \\$5,000 or less.](#)

QC 16806

Shares valued at \$5,000 or less

If a donor makes a gift of listed shares valued at \$5,000 or less within 12 months of acquiring them, they may be able to claim a tax deduction.

Last updated 25 July 2017

You may be able to claim a tax deduction if you donate to a deductible gift recipient (DGR):

- listed shares valued at \$5,000 or less, and
- you acquired the shares at least 12 months before you donated them.

Additionally, to meet the requirements of this gift type:

- the shares must be in a listed public company.
- when you donated the shares they were quoted on the Australian securities exchange (shares must not be suspended from trading or removed from the Australian securities exchange list).

If your shares are valued at more than \$5,000, or you acquired them within 12 months of donating them, you may be eligible for deductions under different gift types.

See also:

- [Property we value at more than \\$5,000](#)
- [Property purchased during the 12 months before making the gift](#)
- [Trading stock](#)

Shares that were not purchased

Under this gift type, you can acquire the shares through a variety of means, including shares you have purchased, inherited, won, or received as a gift or a bonus.

How much can I claim?

You can claim a tax deduction of the market value of the shares, if that value is more than \$2 but not more than \$5,000.

The market value is the value of the shares as listed on Australian securities exchange on the day you donate them.

Shares in different companies donated at the same time are treated as separate donations.

Example 1 – Gifting two parcels of shares

Tim wants to donate to a DGR \$3,000 worth of shares in Red Ltd and \$4,000 worth of shares in Blue Ltd, both listed public companies. He purchased both of these parcels of shares more than 12 months ago. Tim signs and submits two share ownership transfer forms.

Although their combined value is more than \$5,000, Tim can still claim a deduction for the donation of the shares under this gift type as they are treated as separate gifts each valued at \$5,000 or less.

Example 2 – Holding shares for more than 12 months

Fiona purchased a parcel of 100 shares in an Australian-listed public company on 5 August 2004. On 15 January 2014, Fiona donated the parcel of shares to a DGR. The market value of the shares on 15 January 2014, as listed on the approved stock exchange, was \$4.50 per share.

Fiona has donated shares in an Australian-listed public company that she purchased more than 12 months before donating them. Fiona can claim a deduction of \$450 (that is, the market value of the shares on the day she donated them to the DGR) in the income tax year ended 30 June 2014.

Example 3 – Donating shares held for different periods

Steven holds shares in a listed public company. He has held these shares for more than 12 months. Under a dividend reinvestment scheme, Steven purchased a further \$480 in shares in the company.

Steven donates all his shares in the company to a DGR within 12 months of purchasing the shares with the dividend. At the time the shares held for more than 12 months were valued at \$4,000 and the shares purchased with the dividend were valued at \$500.

If the deduction does not add to or create a tax loss, Steven can claim a tax deduction of \$4,480, being:

- \$4,000 for the shares held for more than 12 months
- \$480 for the shares he purchased in the last 12 months.

Trading stock

If a donor makes a gift of trading stock disposed of outside the ordinary course of their business, they may be able to claim a tax deduction.

Last updated 25 July 2017

If you are a business owner and you donate trading stock it may be tax deductible.

To be tax deductible under this gift type:

- you must be donating your trading stock outside the ordinary course of your business.
- you have not claimed an income tax deduction for the forced disposal or death of livestock.

What is trading stock?

Trading stock is generally anything your business produces, manufactures or acquires, to manufacture, sell or exchange. Livestock is also trading stock.

How much can I claim?

The tax deduction you can claim is the market value of the trading stock on the day you donate it.

If you are not registered for GST (and not required to be) you do not need to adjust the market value.

If you are registered for GST (or required to be registered) the market value is reduced by the amount of GST credit you would have been entitled to if:

- you acquired the property at its market value at the time you donated it
- the purchase had been only for a purpose that GST credits would apply to.

You may also need to include the market value of your donated trading stock in your assessable income. If the trading stock is valued at more than \$5,000, you can use our valuation as long as we valued the trading stock no more than 90 days after your donation.

Example 1 – Donating stock with a GST credit

Madeleine runs a fabric shop and is registered for GST. She donates some of the shop's stock to a DGR on 7 November 2013. The market value on that day (including GST) was \$2,200.

If she had bought the stock for \$2,200 on that day, she would have been entitled to a GST credit of 1/11th if the stock was only to be used to sell. Therefore, she would have been able to claim back \$200 of GST on the purchase.

As a result, the market value of the stock for gift deduction purposes would be \$2,000 (that is, \$2,200 minus \$200).

Example 2 – Disposing of trading stock outside the ordinary course of business

Joseph operates a retail business and values his trading stock at cost. In the 2012–13 income year, he purchased \$2,000 of trading stock for resale in his business. The stock was still on hand at the end of June 2013. During the 2013–14 income year, he donated the same trading stock to a DGR. At the time of donating the stock it had a market value of \$3,000.

In the 2012–13 income year, Joseph claims as a deduction the \$2,000 cost of trading stock purchased in that year. He also records \$2,000 as part of his trading stock on hand at the end of the year. Therefore, there is a neutral effect on his taxable income for the 2012–13 year.

In the 2013–14 income year, the stock forms part of his opening trading stock. On the day it is donated, the stock ceases to be trading stock and does not form part of his closing trading stock for that financial year. Joseph receives a deduction for the difference between his opening and closing stock values (that is,

\$2,000). As the gift is a disposal of trading stock outside the ordinary course of his business, Joseph also includes as income the market value of the trading stock (that is, \$3,000). He will also claim a gift deduction for this amount. The overall effect in the 2013–14 income year is a reduction of \$2,000 in his taxable income.

See also:

- [Abnormal primary production income – Profit from forced disposal or death of livestock](#)
- [Accounting for trading stock](#)
- [GST](#)

QC 26067

Donating under the Cultural Gifts Program

If a donor gives a culturally significant item to a public art gallery, museum or library they may be entitled to a tax deduction for the market value of the gift. Also, property donated under the program is exempt from capital gains tax (CGT).

Last updated 25 July 2017

To encourage people to donate cultural items to public art galleries, museums, libraries and archives in Australia, the Cultural Gifts Program offers tax incentives to donors.

Donors can be an individual, company, trust or other type of taxpayer.

The Cultural Gifts Program has no special rules for gifts of trading stock. This program is administered by the Department of Communication and the Arts.

See also

- [Cultural Gifts Program](#) 

- [Trading stock](#)

What types of property can I donate?

You can donate property, other than an estate, interest in land or interest in a building or part of a building. Examples of tax deductible gifts which qualify under the Cultural Gifts Program include:

- Indigenous arts
- cultural artefacts
- natural and scientific materials
- film and social history pieces
- paintings
- manuscripts
- books
- antiques
- jewellery.

Who can I donate my property to?

Under the Cultural Gifts Program you can donate property to:

- the Australiana Fund
- a public library in Australia
- a public museum in Australia
- a public art gallery in Australia
- an institution in Australia consisting of a public library, a public museum and a public art gallery or of any two of them
- the Australian Government for Artbank.

With the exception of the Australiana Fund and Artbank, the recipient of the gift must be a DGR.

The DGR must ensure the gift is included in a collection it is maintaining or establishing.

How much can I claim?

You will need to get a valuation of the property you are donating.

The general rule is that the amount you can claim as a deduction is the average of two or more written valuations made by valuers approved by the Arts Secretary.

However, different arrangements apply if the property was:

- acquired for the purpose of donating it
- acquired subject to an arrangement that it would be donated, or
- acquired (except by inheritance) less than one year before donating it.

In these circumstances, the valuation of the gift is the lesser of the:

- amount you paid for the property
- average of the written valuations.

Different arrangements also apply if no amount is included in your assessable income for the gift, and an amount would have been included if the property had been sold rather than donated.

In this circumstance, a written valuation is not required.

One example is property purchased with the intention to make a profit that the donor later disposed of as a gift. The valuation of the gift is either:

- the amount paid for the property
- if the property had been manufactured or created, the amount allowable as a tax deduction if it had been sold by the donor.

Your tax deduction will be reduced, by a reasonable amount, if you donate property to a DGR without the DGR actually receiving:

- immediate custody and control
- unconditional right to retain custody and control in perpetuity
- unencumbered legal and equitable title.

Your tax deduction may also be reduced if you place any conditions on donation of the property.

If you are registered for GST (or required to be registered) these amounts may need to be adjusted.

Property donated under the program is exempt from capital gains tax (CGT).

QC 16803

Heritage gifts

Claiming tax deductions for gifts of outstanding natural, Indigenous, historic heritage or cultural significance.

Last updated 1 July 2025

What is a heritage gift?


Heritage gifts are places of:

- outstanding natural, Indigenous or historic heritage value to the nation
- significant natural, Indigenous or historic heritage value owned or controlled by the Australian Government
- significant natural, Indigenous or historic heritage value throughout Australia.

You can find lists of heritage places:

- The Commonwealth Heritage List is a list of natural, Indigenous and historic heritage places owned or controlled by the Australian Government.
- The National Heritage List is Australia's list of natural, historic and Indigenous places of outstanding significance to the nation.

For more information see:

- [National Heritage List](#) 
- [Commonwealth Heritage List](#) 

Who can I donate to?

You can only donate heritage gifts to the following DGRs:

- Australian Council of National Trusts
- National Trust of Australia (New South Wales)
- National Trust of Australia (Victoria)
- National Trust of Queensland
- National Trust of South Australia
- National Trust of Australia (WA)
- National Trust of Australia (Tasmania)
- National Trust of Australia (Northern Territory)
- National Trust of Australia (ACT).

These DGRs must accept the gift to preserve it for the benefit of the public.

Partial donations

The making of a gift to a DGR involves the transfer of property to that DGR. For there to be a transfer, the property that belonged to the donor must become the property of the DGR. However, an exception is provided for heritage gifts.

If the terms and conditions of the gift of the property are such that the DGR doesn't have immediate custody and control of, or full legal title to, the donated property, the donor can claim a reduced tax deduction. The reduced amount should reflect the benefit the donor received from retaining some rights or custody and enjoyment of the donated property.

Example: reduced tax deduction

Winston owns and resides in a house in Sydney that has significant heritage value. Winston decides to donate the property to the National Trust of Australia (New South Wales) in the current year for inclusion on the National Heritage List. The

conditions of the donation stipulate that Winston will be able to continue to reside in the property until his death.

The amount of Winston's tax deduction would need to be reduced by the value of the benefit Winston receives by continuing to reside in the property.

How much can I claim?

You may be able to claim a tax deduction if:

- you donate a heritage gift to a National Trust organisation, and
- the Trust accepts the gift to preserve it for the benefit of the public.

The general rule is that the amount you can claim as a deduction is the average of two or more written valuations made by valuers approved by the Arts Secretary.

However, different arrangements apply if the property was:

- acquired for the purpose of donating it
- acquired subject to an arrangement that it would be donated, or
- acquired (except by inheritance) less than one year before donating it.

In these circumstances, the valuation of the gift is the lesser of the:

- amount the donor paid for the property
- average of the written valuations.

Different arrangements also apply if no amount is included in your assessable income for the gift, and an amount would have been included if the property had been sold rather than donated.


In this circumstance, a written valuation is not required.

One example is property purchased with the intention to make a profit that the donor later disposed of as a gift. The valuation of the gift is either:

- the amount paid for the property
- if the property had been manufactured or created, the amount allowable as a tax deduction if it had been sold by the donor.

If you are registered for GST (or required to be registered) these amounts may need to be adjusted.

Spreading your deduction

You can choose to [spread your tax deduction](#) over a period up to 5 income years. The form needed to do this is available from the [Department of Climate Change, Energy, the Environment and Water](#)  and must be submitted to them [before lodging your tax return](#).

QC 18539

Other income tax consequences

There are other income tax consequences of making a gift to a DGR such as tax losses and capital gains tax.

Last updated 25 July 2017

Tax consequences check list

- You need to ensure you have the correct records.
- Make sure you claim your tax deduction in the income year in which you made the donation.
- Your deduction cannot add to or create a tax loss. However, you can make a written election to spread the tax deduction.
- You must be aware of tax implications if you receive a reimbursement from someone else.
- Determine if your property is jointly-owned, as this may impact how you claim.
- You may be able to claim a deduction for the cost of getting a valuation.
- A decline in value for gifts of a depreciating asset will impact your claim.
- Consider capital gains tax (CGT) consequences.

Tax loss

A deduction for a gift or contribution cannot add to or create a tax loss. However, you can choose to spread the tax deduction for a gift or contribution over a period of up to five income years.

For more information, see [When can I claim?](#)

Reimbursements

If you claim a deduction for a gift or contribution, and you receive a refund or reimbursement of that gift or contribution from the DGR or another person, you must include the refund or reimbursement in your assessable income.

Jointly owned property

If you donate jointly owned property, your deduction is determined by your share or interest in the ownership of the property

Example

John and Miranda donate property to a DGR that is a public museum. The property value is \$100,000. John owns 25% of the property and Miranda owns 75%. John can claim a deduction of \$25,000 and Miranda \$75,000 (or less if the claim adds to or creates a tax loss).

Capital gains tax (CGT)

If you donate property there may be CGT consequences.

If CGT applies to a gift of property valued by us at more than \$5,000, our valuation can be used to work out the amount of the capital gain or capital loss, but only if our valuation is made within 90 days of the donation.

You don't have to pay CGT on the following donations to DGRs:

- Gifts made under a will (testamentary gifts) – but you can't claim a tax deduction for these

- Property donated under the Cultural Gifts Program
- Exempt personal use assets.

Example 1 – Capital gains when giving property

Conrad makes a gift of property to a DGR. He bought the property for \$70,000 and its value at the time of the gift was \$80,000. As donating the property meets the capital gains tax provisions, Conrad has a capital gain of \$10,000 which is included in his taxable income (depending on his circumstances and ignoring the effect of indexation and other capital gains tax rules). This could result in a deduction of \$80,000 for the gift and an amount of capital gain included in his assessable income.

Example 2 – Capital loss when giving shares

George purchased 100 shares in XYZ Resources two years ago at \$14 a share. XYZ Resources is a listed public company on the Australian securities exchange.

George decides to gift the shares to a DGR. He signs and submits a share ownership transfer document to donate the 100 shares to the DGR.

The market value of the shares at the time George donates the shares was \$12 per share, bringing the total market value of the parcel to \$1,200. Therefore, George can claim a tax deduction of \$1,200.

As the gifting of shares is a CGT event, George has incurred a capital loss. The capital loss will be the difference between the reduced cost base of the shares ($\$14 \times 100 \text{ shares} = \$1,400$) and the capital proceeds, which is the market value of the shares (\$1,200). Therefore, George has a capital loss of \$200.

See also

- [Guide to capital gains tax](#)

- [When can I claim?](#)
- [Keeping a record of your donation](#)
- [How donors get valuations](#)
- [Donating under the Cultural Gifts Program](#)

QC 46278

How donors get valuations

To claim a tax deduction for the value of a gift or contribution made to a deductible gift recipient (DGR), the supporter is required to find out the market value of the gift or contribution. How a supporter will work out the market value of the gift or contribution will depend on the type of gift or contribution they are making.

Last updated 25 July 2017

About gift types

If your gift type is property valued over \$5,000 you will require a valuation by us (the ATO).

To obtain a valuation from us you need to:

- lodge the following forms together:
 - *Request for valuation – philanthropy program*, which also includes details about the application fee payable on lodgment
 - *Certificate of donation – philanthropy program*, which describes the gift and confirms its donation to and receipt by the DGR. The DGR needs to acknowledge receipt of the donated property on this form.
- pay the following fees:
 - a non-refundable application fee, which will be credited against the total fee for the valuation

- a fee for carrying out a valuation. After we have received the form and application fee, we will advise you in writing of the estimated charge for the valuation. The fee is the actual cost of the valuation, including all costs of the Commissioner in obtaining the valuation.

When we have completed the valuation of the donated property we will provide you with a *Valuation certificate*.

Claiming the cost of valuations

You can claim a deduction for the cost of getting a valuation if the valuation is made **only** to work out the market value of a deductible gift to claim a deduction.

You make the claim in the income year when the expense is incurred.

Next steps

- [Request for valuation – philanthropy program](#)
- [Certificate of donation – philanthropy program](#)
- Email philanthropy@ato.gov.au

QC 46291

When can I claim?

Donors and contributors can claim a tax deduction for most gifts and contributions. For certain gifts, donors can choose to spread the deduction over a period of up to five years.

Last updated 26 August 2021

Find out about claiming a tax deduction

As a donor you can claim a tax deduction for most gifts and contributions in the income year you made the gift or contribution.

You need to be aware that the tax deduction claimed for donating a gift cannot add to or create a tax loss. The deduction can reduce your assessable income to nil in the tax year in which the gift is made, but any excess cannot be claimed in that year.

However, in advance of lodging your tax return, you can choose to spread the tax deduction over a period of up to five income years. You may choose to do this because:

- you may not be able to claim the whole amount in the current year
- you earn a greater income in some years than others.

You can choose to spread the tax deduction over a period of up to five income years if the gift was one of the following:

- money of \$2 or more
- property we value at more than \$5,000
- property under the Cultural Gifts Program
- a heritage gift.


For gifts of money of \$2 or more, or property valued by us at more than \$5,000, you can use the *Election to spread gift deduction form*.

There is a different form for you to use if you are spreading your deduction and your gift is a heritage gift. If you donate property valued by us at more than \$5,000 to a heritage or environmental DGR, you must contact the Department of Climate Change, Energy, the Environment and Water before lodging your tax return.

Other conditions

- The election must be in the approved form and must be made before lodging the tax return for the year in which the gift was made.
- The election must start in the year the gift was made and can continue up to four of the years immediately following.
- The election must contain the percentage to be claimed each year, and the percentage does not need to be the same for each year, but the total percentage must not exceed 100% over the years.

Next steps:

- [Election to spread gift deduction](#)
- [Heritage gifts](#)
- Heritage or environmental DGRs – [Apportionment of deductions](#) .

Example: a deductible gift cannot add to or create a tax loss

Dominic donated a car valued by the ATO at \$10,000 to a DGR in June 2016. His assessable income on his tax return for 2015–16 is \$20,000 and he has no other deductions.

The tax deduction he can claim for his gift is limited to \$1,800. This is because a deductible gift cannot add to or create a tax loss.

Therefore, Dominic's taxable income becomes nil and he can't carry forward the excess \$8,200 from his gift to a later tax return as a tax loss.

Note that if Dominic had completed an *Election to spread gift deduction* form **before** he lodged his tax return, he could have claimed the deduction over several years.

QC 46282

Keeping a record of your donation

Donors and contributors should keep records of all tax deductible gifts and contributions they make. This will help them prepare their tax returns and as evidence in case we check their claims.

Last updated 20 January 2020

Record keeping

You should keep records of all tax deductible gifts and contributions you make. This will help you prepare your tax return.

When you make a donation the deductible gift recipient (DGR) will usually issue you with a receipt, but they don't have to. If this is the case, in some circumstances you can still claim a tax deduction by using other records such as bank statements.

When a DGR issues you with a receipt they **must** include certain information.

Receipts for gifts

If a DGR issues a receipt for a deductible gift, the receipt must state:

- the name of the fund, authority or institution donated to
 - if the full name of the fund is not on the receipt, an abbreviation will be acceptable
 - the issuer of the receipt may need to publish the abbreviation somewhere such as on its website, if the abbreviation does not readily identify the fund
- the DGR's Australian business number (ABN) if any as some DGRs listed by name might not have an ABN
- that the receipt is for a gift.

Receipts for contributions

If a DGR issues a receipt for a deductible contribution, the receipt must state:

- the name and ABN of the DGR contributed to
 - if the full name of the fund is not on the receipt, an abbreviation will be acceptable
 - the issuer of the receipt may need to publish the abbreviation somewhere such as on its website, if the abbreviation does not readily identify the fund
- the fact that the contribution made is in return for a right to attend a specified fundraising event, or for the purchase of goods and services at a fundraising auction

- the amount of the contribution – if the contribution is money
- the GST-inclusive market value of the benefit received in return for the contribution such as the right to attend or the goods or services purchased.

Receipts from third parties

We will accept third-party receipts as evidence of a gift to a DGR if the receipt:

- identifies the DGR
- states the fact that the amount is a donation to the DGR.

If you have a third-party receipt, it does not have to include the DGR's ABN.

For example, if you make a gift to a DGR:

- **through your employer** – you can use a statement from your employer identifying
 - each DGR you made a gift to or, if each DGR is unidentifiable in the statement because of space or printing constraints, a statement of all gifts donated to DGRs
 - the total amount of gifts made to the DGRs
- **at a bank, credit union or other financial institution** – you can use statements such as a
 - bank statement showing the amount paid to the DGR
 - stamped deposit slip showing the amount paid and the name or account number of the DGR
- **using internet banking** – you can use a printed copy of the transfer details after making the gift
- **by credit card or direct debit to your bank, credit union or other financial institution account** – you can use the account records
- **at a retail outlet** – you can use the shopping docket that contains the details of the gift
- **through another organisation** such as a phone or electricity provider – you can use their account records, with proof of

payment.

Receipts issued by third parties at the point of sale, such as shopping docketts from retail outlets, may show an abbreviation for the gift. The third party would need to show on their website that the abbreviation stands for 'Donation to [name of DGR]'.

Pledges

You may make a pledge in writing, such as on a contribution envelope or a pledge form, to a fundraising body specifying the name of the DGR and the amount or percentage of the donation to apply to the DGR. You can then claim a deduction for the amount of the actual gift you donated to the DGR.

Alternatively, the terms of an appeal may state the proportion to apply to the DGR. You can claim a deduction for that proportion of the gift.

Bucket appeals

If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disasters such as bushfires, severe storms and flooding, you can claim a tax deduction of up to \$10 for the total of those contributions without a receipt.

For more information, see [Donating to a disaster relief appeal](#).

QC 46289

Valuing contributions and minor benefits

Contributors' responsibility for finding the value of a contribution made to a DGR for an eligible fundraising event.

Last updated 25 July 2017

Both donors and NFPs have roles to play when it comes to valuations.

- Donors are responsible for valuing their contributions.

- DGRs are responsible for valuing the minor benefit.

Before you try to value contributions and minor benefits, it's important you understand the difference between a gift and contribution.

- When you make a gift, you do not receive a material benefit in return for your payment.
- When you make a contribution you do receive a benefit in return (for example, purchasing a ticket to a fundraising dinner).

Find out about

- [Valuing gifts and contributions](#)
- [Minor benefits](#)

Valuing gifts and contributions

You need to know the value of a gift or contribution to be able to claim a tax deduction.

Minor benefits

As an NFP you are responsible for calculating the market value of any minor benefit.

QC 46265

Valuing gifts and contributions

You need to know the value of a gift or contribution to be able to claim a tax deduction.

Last updated 25 July 2017

If you, as a donor, make a donation it is up to you to let the DGR know its market value, excluding money.

Cash

For cash donations the value is the dollar amount.

Property

Property has a wide meaning, it is more than just physical things (such as land and objects). It includes rights and interests that can be owned and have a value (such as shares and ownership rights).

The method used to value property depends on various factors, including how the property was acquired, the type of the property, and how much the property is worth.

See also:

- [Property we value at more than \\$5,000 – How much can I claim?](#)
- [Property purchased during the 12 months before making the gift – How much can I claim?](#)
- [Shares valued at \\$5,000 or less – How much can I claim?](#)
- [Trading stock – How much can I claim?](#)
- [Cultural gifts program – How much can I claim?](#)
- [Heritage gifts program – How much can I claim?](#)

QC 52959

Minor benefits

As an NFP you are responsible for calculating the market value of any minor benefit.

Last updated 25 July 2017

What is a minor benefit?

A minor benefit is what a donor receives for their contribution to your DGR.

A donor will want to know what the minor benefit is worth, to help them to claim a tax-deduction.

For example, if a donor contributes \$200 to attend your charity dinner, but it only costs you \$30 to host them at the dinner, the minor benefit is the \$30.

However, there are certain rules around whether this would be a tax-deductible donation for the donor.

Conditions

For a contributor to claim a tax-deductible contribution, they must be an individual, the amount they paid must be more than \$150 and the benefit they receive must be:

- no more than \$150, and
- no more than 20% of the value of the contribution

Other limits

Your donors may claim a deduction for both a right to participate at a fundraising event (for example, a fundraising dinner auction) and the purchase of goods and services at a fundraising auction.

An individual attending a fundraising event may claim a maximum of two contributions in relation to attending the same fundraising event – for example, the purchase of a ticket for the individual and one for the individual's partner or associate.

There is no limit to the number of deductions that may be claimed for the purchase of goods and services by way of successful bids at a fundraising auction.

There are other conditions you must meet when running fundraising events.

See also:

- [Running fundraising events](#)

How do I work out the minor benefit?

There are two ways you can assess the market value of a minor benefit:

- price or market comparison
- cost-based approach.

Price or market comparison: Use this method if the benefit is a standard good, service or event commercially available on the open market. Base your valuation on prices commercially charged on the open market. If the good, service or event is not generally available to the public, base your valuation on market observations, taking into account prices charged in the commercial sector for a similar or comparable good, service or event.

Cost-based approach: Use this method if you cannot establish a reasonable estimate using price or market comparisons. Base your valuation on actual costs, notional costs and a profit element associated with providing the benefit.

Example 1 – Eligible market value

Jess pays \$260 to attend a charity golf game hosted by a DGR. The market value of an 18-hole golf game is \$20. The DGR works out that Jess will be eligible to claim a tax deductible contribution of \$240 ($\$260 - \20) as the minor benefit received (market value of the game) is not more than \$150 and not more than 20% of the value of her contribution (\$52).

Example 2 – Market value too low

Bernie buys a ticket for \$400 to a gala performance organised by a DGR. The gala performance has a ticket price on the open market of \$100. Bernie cannot claim any deduction as the market value of the performance – which is the minor benefit he receives in return for his contribution of \$400 – is more than 20% of the value of his contribution (\$80), even though it is not more than \$150.

Example 3 – Different types of deductible contributions

Rebecca pays \$260 to attend a charity auction conducted by a DGR. The ticket to the auction has a market value of \$20. At the

auction, Rebecca successfully bids \$2,000 for a chair with a market value of \$90. She also bids \$1,000 for a painting with a market value of \$100. Rebecca can claim three separate deductions – one of \$240 for her contribution for the right to attend the auction; one of \$1,910 for the purchase of the chair at auction; and a further \$900 for the purchase of the painting.

See also:

- [How do I work out the minor benefit](#)

QC 52962

Workplace and business support

Working with organisations to encourage employees to donate or contribute by workplace giving or salary sacrifice.

Last updated 21 March 2019

You may wish to work with organisations to encourage employees to donate or contribute via a [workplace giving or a salary sacrifice arrangement](#).

For example, some employers support this by paying for their employees to attend fundraising events, or others may wish to collect donations on their employee's behalf.

DGRs can also find out how to support [businesses collecting donations](#).

See also

- [Workplace giving programs](#)
- [Salary sacrifice arrangements for employees](#)

Workplace giving and salary sacrifice arrangements



Employers can collect money for you by setting up a workplace giving or salary sacrifice arrangement for their employees. It is important that the employer understands the difference between the two types of arrangements.

Businesses collecting donations



Businesses can collect donations from the public on your behalf. Banks, shops and energy providers often participate in these arrangements in partnership with DGRs.

QC 46272

Workplace giving and salary sacrifice arrangements

Employers can collect money for you by setting up a workplace giving or salary sacrifice arrangement for their employees. It is important that the employer understands the difference between the two types of arrangements.

Last updated 25 July 2017

There are two formal ways employers can collect money for you:

- Workplace giving programs
- Salary sacrifice arrangements

It is important you understand the difference between the two types of arrangements.

Workplace giving	Salary sacrifice arrangements
-------------------------	--------------------------------------

<p>Workplace giving is a simple way for employees to regularly donate to DGRs. People technically receive the same salary from the company, but donate a portion of it every pay to their nominated DGR.</p>	<p>Salary sacrificing is when an employee agrees to have a portion of their salary donated to a DGR in return for the employer providing them with benefits of a similar value (like reducing their salary by \$15,000 but receiving a work car).</p>
<p>The employer forwards the employee's donations to the DGR. The employee is still making the donation to the DGR.</p>	<p>The employer pays the employee a reduced salary and makes a donation to the DGR.</p>
<p>The employee claims a deduction for their donation to the DGR in their own tax return.</p>	<p>The employer claims a deduction for making the donation in their tax return. The employee is not entitled to claim a tax deduction because it is the employer who is making the donation to the DGR.</p>
<p>The amount of the employee's gross salary remains the same.</p> <p>In most cases, the donation amount is a fixed amount that the employer deducts from the employee's pay each pay day.</p> <p>The employer chooses to either:</p> <ul style="list-style-type: none"> • reduce the amount of tax deducted from the employee's pay each pay period to account for the donation. (The employee still claims a tax deduction in their tax return.) • not to reduce the amount of tax withheld from the 	<p>The employee's gross salary is reduced by the salary sacrificed amount and the employee pays income tax on the reduced salary.</p> <p>The amount of tax that the employee pays is reduced, but only because they now have a reduced salary.</p>

employee each pay period.
(The employee claims a tax deduction for the amount donated at the end of the financial year.)

See also:

- [Salary sacrifice arrangements for employees](#)
- [Workplace giving programs](#)

QC 33666

Businesses collecting donations

Businesses can collect donations from the public on your behalf. Banks, shops and energy providers often participate in these arrangements in partnership with DGRs.

Last updated 25 July 2017

About businesses collecting donations

As a DGR, you can authorise a business to collect donations from the public on your behalf. Banks, shops, and energy providers often participate in these arrangements.

They may help a donor by:

- setting-up direct debits from a customer's bank account
- facilitating a donation at the register (like adding \$2 onto the shopper docket)
- adding a separate charge of a customer's statement (like their energy bill).

If you decide to do this, you and the business should confirm arrangements for issuing receipts to donors. For example, you may prefer to issue receipts and ask that the business supply details of the

name, address and amount collected from each donor. Alternatively, you may agree to the business issuing a statement to each donor identifying the amount collected on your behalf.

Example – Supermarket collecting donations for a DGR

Following an overseas disaster, Local People Supermarkets wanted to become a collection point for the DGR Overseas Helpers. It was up to Local People Supermarkets to ensure that Overseas Helpers had an overseas gift fund for the disaster so that the funds donated by their customers could be used for that purpose only.

Overseas Helpers and Local People Supermarkets made the following arrangements:

- Local People Supermarkets' checkout docket included all of the following:
 - Overseas Helper's name and ABN
 - the amount that was donated
 - that the gift was made for the specific disaster
 - the date the gift was made.
- Local People Supermarkets staff told customers that they needed to retain their docket for tax purposes.
- Local People Supermarkets substantiated that the donation was forwarded to Overseas Helpers.

QC 46274

Tax and fundraising

The various taxes that may apply to the running of your not-for-profit (NFP) organisation.

Last updated 25 July 2017

As an NFP you need to be aware of various taxes that may apply to the running of your organisation. These may include:

- income tax
- goods and services tax (GST)
- fringe benefits tax (FBT).

As an NFP organisation you may need to pay tax on your income. Some NFPs have to pay **income tax** and some are exempt.

If your NFP organisation undertakes fundraising activities you may need to pay **GST**. There are a range of GST concessions for NFP organisations that may be applied to your fundraising activities.

FBT is a tax employers pay on certain benefits they provide to their employees. The benefits may be in addition to, or part of, their salary package. Generally, benefits provided to volunteers and contractors don't attract FBT.

See also

- [Do you have to pay income tax?](#)
- [GST](#)
- [Fringe benefits tax \(FBT\)](#)

QC 46293

Helping in a disaster

Donations to help the victims of a disaster in Australia or overseas are tax deductible if made to a DGR.

Last updated 30 October 2019

In response to a disaster, you may wish to collect funds or make donations to help victims. Donations to help the victims of a disaster in Australia or overseas may be tax deductible.

Find out about

- [Collecting to help victims of disaster](#)
- [Donating to a disaster relief appeal](#)

See also

- [Crowdfunding and drought assistance](#)
- [List of disasters](#)

Collecting to help victims of disaster

Not for profit organisations (NFP) can collect money for disaster relief.

Donating to a disaster relief appeal

If donors make a gift of cash to the value of \$2 or more to a disaster relief appeal they may be able to claim a tax deduction if the organisation receiving the gift is a deductible gift recipient (DGR). They may also be able to claim a deduction for non-cash gifts.

QC 46267

Collecting to help victims of disaster

Not for profit organisations (NFP) can collect money for disaster relief.

Last updated 3 January 2024

If you are a not-for-profit (NFP) organisation, but not a Deductible Gift Recipient (DGR), and want to collect money for disaster relief, you can collect for an established DGR or start your own DGR.

You can also collect to help victims without supporters being eligible to claim a tax-deduction.

Collecting for an established DGR offers advantages as the existing fund will already have systems in place to handle gifts and get assistance to the disaster victims quickly.

You can collect money for both Australian and overseas disasters.

For overseas disasters, you can collect through:

- a developing country relief fund or organisation
- a developed country disaster relief fund
- a public ancillary fund.

For Australian disasters, you can collect through:

- a necessitous circumstances fund
- a public benevolent institution
- an Australian disaster relief fund
- a public ancillary fund.

For more information see:

- [Running Australian Disaster Relief Funds](#)
- [Developing country relief fund or organisation](#)
- [Developed country disaster relief funds](#)
- [Public ancillary funds](#)
- [DGR Category - Necessitous circumstances fund](#)
- [Public Benevolent Institution](#)

QC 46268

Donating to a disaster relief appeal

If donors make a gift of cash to the value of \$2 or more to a disaster relief appeal they may be able to claim a tax deduction if the organisation receiving the gift is a deductible gift recipient (DGR). They may also be able to claim a deduction for non-cash gifts.

Last updated 25 July 2017

You can donate money for both Australian and overseas disasters.

If you make a donation to a disaster relief appeal you may be able to claim a tax deduction if the organisation receiving the gift is a deductible gift recipient (DGR).


Donors can make tax-deductible donations:

- to a registered DGR that has set up a disaster relief appeal
- through an organisation that is authorised to collect donations on behalf of a DGR.

In addition, the tax-deductible gift must be made within two years from the day on which the event occurred if the date is specified in the declaration or otherwise on the day of the declaration.

We do not provide a list of disaster relief appeal funds in the event of a disaster.

See also:

- [Disaster assist](#)  – Provides information about natural disaster relief and recovery arrangements (NDRRA) – they provide funding to states and territories to help pay for natural disaster relief and recovery costs.
- Australian Emergency Management – is a division within the Attorney-General's Department and the Australian Government lead for disaster and emergency management.

QC 33845

Gifts and fundraising for non-DGRs

You can start your own DGR, collect for an established DGR or collect funds without supporters getting a tax deduction.

Last updated 25 July 2017





About DGR

If you are an NFP but not a DGR and you want to fundraise, you can:

- start your own DGR
- collect for an established DGR
- collect funds without supporters being eligible to claim a tax-deduction.

If your NFP organisation is unable to obtain DGR status, you may be able to access funds from organisations that have DGR status.

Some DGRs operate to provide funding to other organisations, such as the:

- [Australian Sports Foundation](#)  – which issues discretionary grants to sporting organisations
- [Australia Business Arts Foundation](#)  (known as Creative Partnerships Australia) – which facilitates funding for the arts through its Australian Cultural Fund
- [Australian Schools Plus](#)  which partners with schools to provide funding for educational projects.
- [Foundation for Rural and Regional Renewal](#)  – helps improve the lives of those living in rural, regional and remote Australia.

If your supporters transfer money or other property to a DGR on condition it is passed onto your organisation or event, the tax deductibility of the payment may be affected.

Donors can make a request that a gift be directed to a particular organisation. These arrangements will not prevent the payment from being a gift (and the donor claiming a tax deduction) if the DGR:

- obtains in its own right to the full value or benefit of the property donated
- is empowered and has absolute discretion whether to distribute the property to those organisations nominated by the supporter.

Example 1: Not a deductible gift

Greg is an avid supporter of his local AFL team. He sends a cheque for \$500 to the Australian Sports Foundation (ASF) with a letter stating the amount be given to his favourite team.

The ASF does not have discretion to apply the amount in accordance with the supporter's wishes. As the supporter's wishes were specific, the DGR has no right to apply the amount where it sees fit, and therefore the \$500 gift cannot be considered tax deductible.

Example 2: Deductible gift

Cecilie is a great supporter of the arts in her local area. She sends a cheque for \$500 to the Australia Business Arts Foundation (AbaF) with a letter stating she would prefer the funds be given to an arts organisation that supports visual artists in her region.

AbaF has the discretion whether to apply the amount in accordance with the supporter's wishes. The \$500 is a deductible gift, as the DGR has the ability to abide by the supporter's wishes.

Example 3: Deductible gift

Beth is keen to support Indigenous students in remote communities. She nominates a project registered with Schools Plus and donates \$450 via their website.

Although Beth has indicated a preference for her donation, Schools Plus has the discretion whether to apply the amount in accordance with her preference. The \$450 is a deductible gift.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).