



Ancillary fund return instructions 2014

Ancillary funds, including funds that were formerly prescribed private funds, should complete the Ancillary fund return 2014 (NAT 73640).

13 February 2019

About these instructions

These instructions will help you complete the Ancillary fund return 2014 (NAT 73640).

When we refer to the ancillary fund guidelines, we are referring to the *Public ancillary fund guidelines 2011* for public ancillary funds (public AFs) and the *Private ancillary fund guidelines 2009* for private ancillary funds (private AFs) including former prescribed private funds (PPFs).

When we refer to a 'fund' in these instructions, we are referring to an ancillary fund.

When we refer to 'you' in these instructions, we are referring to you as the trustee of the ancillary fund.

These instructions are not a guide to law on ancillary funds. They sometimes refer you to a guideline that specifically addresses an item in the return you are completing – this does not mean the guideline is all you need to consider regarding that item, or the operation of the fund.



Attention Do not send the audit report and financial statements with the return unless you need to do so because of particular circumstances,

such as winding up the fund or ceasing to be an ancillary fund.



Penalties may be imposed for giving false or misleading information – penalties may also be imposed for non-compliance with the ancillary fund guidelines.

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Introduction

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For an ancillary fund to be entitled to endorsement as a deductible gift recipient (DGR), section 30-125 Entitlement to endorsement in the ITAA 1997 requires that the fund and the trustees comply with the rules in the private AF guidelines or public AF guidelines (whichever is applicable).

Private ancillary fund guidelines 2009

The *Private ancillary fund guidelines 2009* (private AF guidelines), a legislative instrument formulated by the minister, took effect on 1 October 2009.

The private AF guidelines set out the rules private AFs and the trustees must comply with if the funds are to be, or are to remain, endorsed as a DGR. They also set out the amount of the administrative penalty, or how to work out the amount of the administrative penalty.

The rules supplement or extend those in tax law and address such issues as distribution, valuation, accounts and documents that a trustee may have to provide to us. They also include transitional rules for former PPFs.

Find out more

The [Private AF guidelines](#)  are available on the [Federal Register of Legislative Instruments](#) .

Public ancillary fund guidelines 2011

The *Public ancillary fund guidelines 2011* (public AF guidelines), a legislative instrument formulated by the minister, took effect on 1 January 2012.

The public AF guidelines set out the rules public AFs and the trustees must comply with if the funds are to be, or are to remain, endorsed as a DGR. They also set out the amount of the administrative penalty, or how to work out the amount of the administrative penalty.

The rules supplement or extend those in tax law and address such issues as distribution, valuation, accounts and documents that a trustee may have to provide to us.

Find out more

The [Public AF guidelines](#)  are available on the [Federal Register of Legislative Instruments](#) .

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Completing and lodging the return

Get it done

Download the Ancillary fund return 2014 (NAT 73640).

Read these instructions on how to complete the return form.

You may type directly into the form before printing, or you may print the form and write the information.

If typing, check you can save a copy of the completed form to your computer by entering text into the first field, saving and closing the file, then re-opening it to check that the text you entered is displayed.

If you cannot save the form, print a completed copy before you close it.

Print an additional completed copy for your records.

If writing, print neatly in BLOCK LETTERS using black pen.

Place **X** in **all** applicable boxes.

Insert whole dollars only, do not show cents.

All ancillary funds must complete Sections A, B, C, D, F, G, H, I and J.

If you are a former prescribed private fund distributing under the transitional distribution rules, you must also complete Section E.

Print and sign the form.

If you need to lodge an amendment, write to the Australian Taxation Office (ATO) with details of the changes. Do not lodge another form.


Privacy

The ATO is authorised by the Taxation Administration Act 1953 to ask for a tax file number (TFN). The ATO will use the TFN to identify taxpayers in our records. It is not an offence not to provide a TFN. However, if you do not provide the TFNs where requested, processing of this form may be delayed.

The ATO is also authorised by the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 (amongst others) to ask for other information on this form. We need this information to help us administer the taxation laws. If the information is not collected, it could result in a delay or error in an assessment.

We may give this information to other government agencies as authorised in taxation law – for example, benefit payment agencies such as Services Australia, the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs; law enforcement agencies such as state and federal police; and other agencies such as the Australian Bureau of Statistics and the Reserve Bank of Australia.

The ATO also provides taxpayer information to treaty partners overseas under international tax agreements with many other countries. More information about these treaties is on the ATO website (ato.gov.au).

If you have an Australian Business Number, some information on this form is collected for the purpose of the A New Tax System (Australian Business Number Act 1999). This information will be used to update your details on the Australian Business Register (ABR). Where authorised by law, selected information may be made publicly available and some may be passed to a wide range of government agencies, including Commonwealth, state and local government agencies. You can find details of the agencies regularly receiving information from the ABR at abr.gov.au . You can also phone us on 13 2866 between 8.00am and 6.00pm, Monday to Friday and have a list of the agencies sent to you.

The ATO's privacy policy is also on our website at www.ato.gov.au/privacy. The policy contains important information about your privacy, including information about how you can access and seek correction of information we hold about you, how you may complain about a breach of the Australian Privacy Principles and how the ATO will deal with any privacy.

Lodging the return

Send the completed return form by the lodgment due date to:

Australian Taxation Office
GPO Box 9845

[insert the name and postcode of your capital city]

For example;

**Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001**

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Section A: Fund information

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This section deals with identification of the fund.


1 Name of fund

Insert the name of the ancillary as it appears in the fund's trust deed – for example, John Brown Foundation (not the trustee of the John Brown Foundation).

2 Australian business number (ABN) of fund

Insert the ABN of the fund.

Make sure you use the ABN of the fund, not the ABN of the trustee of the trust.

 **Attention** Information is collected for the purposes of the *A New Tax System (Australian Business Number) Act 1999* and may be used to update your details on the Australian Business Register. See the privacy note at [Completing and lodging the return](#) for further information.

3 Current postal address

Insert the current postal address of the fund.

4 Type of fund

Select the box that applies.

Address for notices

Details of the trustee to whom notices should be sent

You must provide the details of the trustee to whom notices should be sent at **either**:

- item **5 If the trustee is a constitutional corporation**
- item **6 If the trustee is an individual.**

5 If the trustee is a constitutional corporation, insert details here

Insert the name of the constitutional corporation.

Insert the Australian Company Number, association number or incorporation number of the constitutional corporation.

Insert the tax file number (TFN) of the constitutional corporation.

Insert the current postal address of the constitutional corporation.

Insert the email address of the constitutional corporation.

Insert the phone number (including area code) of the constitutional corporation.

Preferred director

Insert the title, surname or family name, and given names of the preferred director.

Insert the email address of the preferred director.

Insert the phone number (including area code) of the preferred director.

Select the box to indicate whether the preferred director is a responsible person for the fund.



Attention Only an individual can be the responsible person – they must be either a trustee, or a director of the constitutional corporation that is a trustee. Where the responsible person is a director of the constitutional corporation, they must be an active director.

6 If the trustee is an individual, insert details here

Insert the title, surname or family name, and given names of the individual.

Insert the TFN of the individual.



Attention We are authorised by the *Taxation Administration Act 1953* to collect your TFN. See the privacy note at [Completing and lodging the return](#) for further information.

Insert the current postal address of the individual.

Insert the email address of the individual.

Insert the phone number (including area code) of the individual.

Select the box to indicate whether the preferred director is a responsible person for the fund.



Attention Only an individual can be the responsible person – they must be either a trustee, or a director of the constitutional corporation that is a trustee. Where the responsible person is a director of the constitutional corporation they must be an active director.

They cannot be:

- a founder

- a donor to the fund who has contributed more than \$10,000
- an associate of a founder or such a donor.

Find out more

For more information, refer to private AF guidelines 14, 15 and 16 and public AF guidelines 14, 15 and 16.

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Section B: Estimated market value of the fund's net assets at the end of the previous financial year

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This section allows you to insert details of the estimated value of the fund's net assets at the end of the previous financial year.

7 Estimated market value of the fund's gross assets

The market value of the fund's assets must be estimated in accordance with the ancillary fund guidelines and any other directions from the Commissioner of Taxation.

For land and buildings, the estimates must have been made within the last three financial years. For assets other than land and buildings, estimates must be current at 30 June 2012.

We consider that where there are circumstances that make the value apparent – for example, all assets of the company are in cash or listed shares – the trustee may use the market value established by the account balance for cash or the listed price of the shares.

However, we also consider that estimating the market value of shares in a private company is likely to be difficult or complex and so must be estimated by a certified and independent valuer or by the ATO. Estimates of the market value of assets that are land, including buildings, must be made by a certified and independent valuer or by the ATO.

Find out more

For more information, refer to private AF guidelines 20 to 23 or public AF guidelines 20 to 23.

Get it done

You can obtain a Request for valuation form from the ATO's non-profit information line by phoning 1300 130 248.

A Estimated market value of the fund's gross assets at the end of the previous financial year

Insert the estimated market value of the fund's gross assets at the end of the previous financial year.

8 Liabilities

Insert the liabilities at the end of the previous financial year.

B Borrowings

Insert the amount the fund had borrowed and not repaid at the end of the previous financial year.

The ancillary guidelines allow the trustee to borrow money or maintain an existing borrowing of money only in certain circumstances. The total borrowing is limited to 10% of the market value of the fund's assets, and the period of the borrowing is also limited.

However, the transitional rules do allow a former PPF that has an existing borrowing at 30 September 2009 to maintain it, but it may not alter the terms of the borrowing without our prior agreement.

Find out more

For more information, refer to private AF guidelines paragraphs 33 and 60 or public AF guideline paragraph 33.

C Other liabilities

Insert the amount that is the total of other liabilities at the end of the previous financial year. Do not include borrowings.

Other liabilities may include those for accrued leave or rent that would usually be evidenced in writing – for example, accrued leave would be recorded in the accounts or ledgers and an agreement to pay rent would have an executed lease of premises.

D Total liabilities at the end of the previous financial year (total of labels B to C)

Insert the total liabilities at the end of the previous financial year – that is, the total of labels B to C.

9 Estimated market value of the fund's net assets

E Estimated market value of the fund's net assets at the end of the previous financial year (label A less label D)

Insert the estimated market value of the fund's net assets at the end of the previous financial year – that is, label A less label D.

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Section C: Donations received

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This section allows you to insert the donations received by the fund.

10 Donations received

Provide details about all donations received by the fund within the financial year.

A Total of money received

Insert the total of money received.

B Total of the value of shares in a publicly listed entity received

Insert the total of the value of shares in a publicly listed entity received.

C Total of the value of shares in an unlisted entity received

Insert the total of the value of shares in an unlisted entity received.

D Total of the value of collectibles received

Insert the total of the value of collectibles received.

E Total of the value of land and buildings received

Insert the total of the value of land and buildings received.

F Total of the value of other property received

Insert the total of the value of other property received.

G Total of the value of donations received (total of labels A to F)

Insert the total of the value of donations received – that is, the total of labels A to F.

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Section D: Income

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This section allows you to insert income, expenses and net income of the trust.



Attention
Do not include an unrealised gain or an unrealised loss at item 11 Income or item

12 Expenses. These would be reflected in the estimated market value of the fund's assets.

11 Income

Include all the types of income derived by the trust.



Do not include donations at item **11 Income**. Include these amounts at item **10 Donations received**.

A Gross interest

Insert the total of gross income derived from money held in financial institutions.

B Franked dividends

Insert the total of all franked dividends received from either public or private entities.

C Unfranked dividends

Insert the total of all unfranked dividends received from either public or private entities.

D Dividend franking credits

Insert the total of any amounts received from us as a result of the fund applying for a refund of franking credits attached to dividends received **either**:

- directly or indirectly as a shareholder
- indirectly as a beneficiary of a trust.

E Gross rent and other leasing and hiring income

Insert the total of amounts received from the renting, leasing or hiring out of land, buildings or other property.

F Gross distribution from a trust

Insert the total of all distributions from a trust.

G Other gross income

Insert other gross income.

H Sub total (total of labels A to G)

Insert the sub total – that is, the total of labels A to G.

I Net capital gain

Insert the amount of net capital gain.

This was previously called 'realised capital gain' in the information returns of former prescribed private funds.

You make a capital **gain** or **loss** when a capital gains tax (CGT) event takes place.

You make a capital **gain** if the proceeds exceed the cost base. You make a capital **loss** if the reduced cost base exceeds the capital proceeds.

Total capital gains and losses for the financial year are respectively added up and subtracted, and then any net capital losses from earlier years are also offset – this gives the net capital gain or loss for the income year. If the trust has a capital loss this is quarantined and then offset against capital gains in future years. A capital loss cannot be deducted against any form of income other than capital gain. There is no capital gain or loss unless they have been 'realised'.

Before 1 October 2009, private AFs were required to distribute realised capital gains if they had reached their approved capital amount. The private AF guidelines allow a private AF to distribute under the transitional distribution rules – for example, where distribution is based on income, if it has not met its target capital amount. Consequently, we accept that a private AF that is distributing on an income basis has not met its target capital amount. Net capital gain does not have to be distributed by such private AFs.

Find out more

For more information, refer to Capital gains tax

J Total income (total of labels H to I)

Insert the total income – that is, the total of labels H to I.

12 Expenses

Include all expenses for operating the fund.



Do not include distributions at item **12 Expenses**. Include these amounts at item **15 Distributions made**.

 **Attention** Do not include a capital loss as an expense. It can only be offset against a capital gain. See the explanation under [I Net capital gain](#) item 11.

Trust law and the deeds that establish the majority of ancillary funds allow the trustee to pay the expenses of the fund. The guidelines allow the trustee to be reimbursed, on behalf of the fund, for reasonable expenses and be paid reasonable remuneration for services.

Find out more

For more information, refer to private AF guidelines 42 and 43 and public AF guidelines 42 and 43.

K Salary

Insert the total paid to employees of the fund including amounts paid as trustee remuneration. Do not include reimbursement of expenses of the trustees – this goes in **M Management and administration**.

L Rent

Insert the total of rent paid.

M Management and administration

Insert the total paid for management and administration – for example, government charges, insurance, bank, accounting, investment advisor and legal fees, and reimbursement of expenses of the trustees.

N Valuation fees

Insert the total of valuation fees paid for estimates of market value.

O Audit fees

Insert the total of audit fees paid.

P Other expenses

Insert the total of other expenses.

Q Total expenses (total of labels K to P)

Insert the total expenses – that is, the total of labels K to P.

13 Net income

R Net income (label J less label Q)

Insert net income – that is, label J less label Q.

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Section E: Former PPFs distributing under the transitional distribution rules

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 **Attention: Complete this section if you are distributing under the transitional distribution rules.**

14 Amount of trust income retained

A Amount of trust income retained under private AF guideline 55 to reflect movements in the CPI

Insert the amount of trust income retained to maintain the capital of the fund. Calculate this at the start of the current financial year to reflect movements in the CPI for the previous financial year.

A former PPF distributing under the transitional rules can retain an amount of trust income to maintain the capital of the fund. This is calculated at the start of the current financial year, to reflect movements in the All Groups Consumer Price Index (CPI), published by the Australian Statistician for the previous financial year.

The following example shows how to calculate the amount of trust income that may be retained:

Example

A private AF had capital of \$300,000 at the end of the 2012–13 financial year – as a result, the capital at the start of the 2013–14 financial year was \$300,000.

During the 2013–14 financial year, franked dividends were \$80,000 and refunds of franking credits were \$20,000, making a total gross income of \$100,000. The expenses totalled \$5,000.

The movements in CPI during the 2012–13 financial year were 1.5% (1.5% is only used here for illustrative purposes).

See the calculation below.

Franked dividends	\$80,000
Refunds of franking credits	<u>\$20,000</u>
Total gross income	\$100,000
less: Total expenses	<u>(\$5,000)</u>
Net income	\$95,000
less: Income retained (1.5% movement in CPI x \$300,000 opening capital)	<u>(\$4,500)</u>
Income distributed	<u>\$90,500</u>

Find out more


For more information, refer to private AF guidelines 52, 53, 54 and 55.

Section F: Distributions made



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This section allows you to insert the distributions made by the fund.

15 Distributions made

 **Attention** Insert distributions that were made in the current financial year. Where distributions were made to the same recipient, combine distributions made to that recipient. If there is insufficient space, use an extra Section F page. Save a copy of extra pages for your own records.

List the names of the entities to which distributions were made, their ABNs, and the breakdown of distributions into the amount of money or the value of property.

 **Attention** Auxiliary funds distribute to DGRs that are covered by Item 1 of the table in section 30-15 of the ITAA 1997. The Australian Business Register website abr.gov.au  indicates whether an entity is an Item 1 DGR. A distribution includes the provision of money, property or benefits.

A Name of recipient

Insert the name of the recipient of the distribution.

B ABN of recipient

Insert the ABN of the recipient of the distribution.

C Money distributed

Insert the amount of money distributed to the recipient.

D Value of property distributed

Insert the value of property distributed to the recipient.

E Total value of distributions made (total of all C and D amounts)

Insert the total value of distributions made – that is, the total of all amounts in labels C and D.

What is the minimum distribution allowed if you have not applied the transitional rules?



What is the minimum distribution allowed under the transitional rules?



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What is the minimum distribution allowed if you have not applied the transitional rules?

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Private ancillary funds

During each financial year, a private AF must distribute at least 5% of the market value of the fund's net assets as valued at the end of the previous financial year.

If the fund provides property or benefits, the market value of the property or benefit is to be used in determining whether the fund has complied with the requirement to distribute.

While net assets are used to determine the fund's minimum distribution, the amount of the distribution itself is not the net of any amount – for example, expenses of the fund.

The fund must distribute at least \$11,000 – or the remainder of the fund if that is worth less than \$11,000 – during that financial year if:

- the 5% is less than \$11,000, **and**
- any of the expenses of the fund for that financial year are paid directly or indirectly from the fund's assets or income.

This means that if a fund's expenses are met from outside the fund, its minimum annual distribution is 5% of the market value of the fund's net assets. If a fund's expenses are paid out of the fund's assets or income, its minimum distribution is \$11,000, or 5%, whichever is greater.

No distribution is required during the financial year in which the fund is established if it was not formerly a PPF.

Find out more

For more information, refer to private AF guideline 19.

Public ancillary funds

During each financial year, a public AF must distribute at least 4% of the market value of the fund's net assets as valued at the end of the previous financial year.

If the fund provides property or benefits, the market value of the property or benefit is to be used in determining whether the fund has complied with the requirement to distribute.

While net assets are used to determine the fund's minimum distribution, the amount of the distribution itself is not net of any amount – for example, expenses of the fund.

The fund must distribute at least \$8,800 or the remainder of the fund if that is worth less than \$8,800, during that financial year if:

- the 4% is less than \$8,800, **and**

- any of the expenses of the fund for that financial year are paid directly or indirectly from the fund's assets or income.

This means that if a fund's expenses are met from outside the fund, its minimum annual distribution is 4% of the market value of the fund's net assets. If a fund's expenses are paid out of the fund's assets or income, its minimum distribution is \$8,800, or 4%, whichever is greater.

No distribution is required during the financial year in which the fund is established or during the next four financial years.

While these guidelines do not set a minimum annual distribution for the first four financial years, the trustee should consider making an appropriate distribution each year in accordance with the purpose of the fund.

Find out more

For more information, refer to public AF guideline 19.

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What is the minimum distribution allowed under the transitional rules?

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A former PPF distributing under the transitional rules must as a minimum:

- distribute during a financial year 5% of each gift received in the previous financial year
- distribute its trust income within the financial year in which it is derived, unless otherwise allowed by the Commissioner.

A former PPF distributing under the transitional rules can retain an amount of trust income to maintain the capital of the fund calculated

at the start of a financial year to reflect movements in the CPI published by the **Australian Statistician** for the previous financial year.

If the fund is subject to a continuing agreed accumulation plan, it may continue to act in accordance with that plan until **one** of the following occurs:

- when the plan expires
- when the fund meets its target amount
- the end of the 2013–14 financial year

the start of a financial year for which the fund chooses to not apply the transitional rules.

Find out more

For more information, refer to private AF guidelines 52 to 55.

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Section G: Estimated market value of the fund's net assets at the end of the financial year

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16 Assets

The market value of the fund's assets must be estimated in accordance with the ancillary fund guidelines and any other directions from us.

Estimates must be completed before the fund is required to lodge their return for the relevant financial year.

For land and buildings, the estimates must have been made within the last three financial years. For assets other than land and buildings,

estimates must be as at 30 June 2013.

We consider that where there are circumstances that make the value apparent – for example, all assets of the company are in cash or listed shares – the trustee may use the market value established by the account balance for cash or the listed price of the shares.

However, we also consider that estimating the market value of shares in a private company is likely to be difficult or complex, and so must be estimated by a certified and independent valuer or by the ATO.

Estimates of the market value of assets that are land, including buildings, must be made by a certified and independent valuer or by the ATO.

Find out more

For more information, refer to private AF guidelines 20 to 23 and public AF guidelines 20 to 23.

Get it done

You can obtain a Request for valuation form from the ATO's non-profit information line by phoning 1300 130 248.

A Cash

Insert the amount of cash held.

B Estimated market value of shares in a publicly listed entity

Insert the estimated market value of shares in a publicly listed entity.

C Estimated market value of shares in an unlisted entity

Insert the estimated market value of shares in an unlisted entity.

D Loans

Insert the amount that the fund has loaned that has not been repaid.

E Estimated market value of land and buildings

Insert the estimated market value of land and buildings.

F Estimated market value of other property

Insert the estimated market value of other property.

G Estimated market value of other investments

Insert the estimated market value of other investments.

H Total estimated market value of the fund's gross assets at the end of the financial year (labels A to G)

Insert the total estimated market value of the fund's gross assets at the end of the financial year – that is, the total of labels A to G.

17 Liabilities

I Borrowings

Insert the amount the fund has borrowed and not repaid.

The ancillary fund guidelines allow the trustee to borrow money or maintain an existing borrowing of money only in certain circumstances. The total borrowing is limited to 10% of the market value of the fund's assets and the period of the borrowing is also limited.

However, the transitional rules do allow a former PPF that has an existing borrowing at 30 September 2009 to maintain it, but it may not alter the terms of the borrowing without prior agreement of the Commissioner.

Find out more

For more information, refer to private AF guidelines 33 and 60 and public AF guideline 33.

J Other liabilities

Insert the amount – that is, the total of other liabilities that are not borrowings.

Other liabilities may include those for accrued leave or rent that would usually be evidenced in writing – for example, accrued leave would be recorded in the accounts or ledgers and an agreement to pay rent would have an executed lease of premises.

K Total liabilities at the end of the financial year (totals of labels I to J)

Insert the total amount of liabilities at the end of the financial year – that is, the total of labels I to J.

18 Estimated market value of the fund's net assets

Under the ancillary fund distribution rules, the trustee will use the estimated market value of the fund's net assets at the end of the financial year to calculate what must be distributed in the next financial year.

L Estimated market value of the fund's net assets at the end of the financial year (label H less label K)

Insert the estimated market value of the fund's net assets at the end of the financial year – that is, label H less label K.

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Section H: Trustees

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19 Where the trustee is a constitutional corporation, insert the details of any director who is a responsible person for the fund and is not shown in Section A

Insert the title, surname or family name, and given names of the director.

Insert the current postal address of the director.

Insert the email address of the director.

Insert the phone number (including area code) of the director.

To add additional trustee details you can use an extra Section H question 19 page, or attach an excel spreadsheet. Save a copy of any additional pages used for your own records.



Only an individual can be the responsible person – they must be either a trustee or a director of the constitutional corporation that is a trustee. Where the responsible person is a director of the constitutional corporation, they must be an active director.

20 Where the trustee is an individual, insert the details of any trustee who is an individual who is not shown in Section A

Insert the title, surname or family name, and given names of the individual.

Insert the TFN of the individual.



We are authorised by the *Taxation Administration Act 1953* to collect your TFN. See the privacy note at [Completing and lodging the return](#) for further information.

Insert the current postal address of the individual.

Insert the email address of the individual.

Insert the phone number (including area code) of the individual.

Select the box to indicate whether the trustee is a responsible person for the fund.

To add additional trustee details you can use an extra Section H question 20 page, or attach an excel spreadsheet. Save a copy of any additional pages used for your own records.



Only an individual can be the responsible person – they must be either a trustee or a director of the constitutional corporation that is a trustee. Where the responsible person is a director of the constitutional corporation, they must be an active director.

Private ancillary funds

The responsible person cannot be:

- a founder
- a donor to the fund who has contributed more than \$10,000
- an associate of a founder or such a donor.

Public ancillary funds

At all times, a majority of the individuals involved in the decision-making of the fund must be individuals with a degree of responsibility to the Australian community as a whole.

Find out more

For more information, refer to private AF guidelines 14, 15 and 16 and public AF guidelines 14, 15 and 16.

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Section I: Information relating to entitlement to endorsement

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This section allows the trustee to advise us on some governance issues.

Insert **X** in the **Yes** or **No** box, where applicable.

All ancillary funds must complete questions A, B, C, D and E. Public AFs must also complete F, G, H, and I. Private AFs must also complete J and K. All private AFs that were formerly a PPF must also complete L.

All funds



All public ancillary funds



All private ancillary funds



All private AFs that were formerly a PPF



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All funds

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A Have the fund's financial statements been audited?


Each financial year the trustee must arrange for an auditor to audit the financial statements of the fund.

The audit must be finalised before the fund is required to lodge the return.

Find out more

For more information, refer to private AF guidelines 26, 27 and 28 and public AF guidelines 26, 27 and 28.

B Has the trustee advised the Commissioner of every change to the fund's governing rules?

 **Attention** **If no changes have been made to your fund's governing rules, you are not required to answer this question.**

The trustee must let us know within 21 days of any change in the fund's deed or will, using the approved form:

- Notification of change to the governing rules of an endorsed private ancillary fund (NAT 73402)
- Notification of change to the governing rules of an endorsed public ancillary fund (NAT 74034)

Find out more

For more information, refer to private AF guideline 17 and public AF guideline 17.

C Has the market value of assets other than land been estimated as at the end of the financial year?

The trustee must have estimates of market value of the assets, other than land and buildings, current on 30 June 2013.

Estimates must be completed before the fund is required to lodge their return for the relevant financial year.

The market value must be estimated in accordance with the applicable ancillary fund guidelines and any other directions from us.

We consider that where there are circumstances that make the value apparent – for example, all assets of the company are in cash or listed shares – the trustee may use the market value established by the account balance for cash or the listed price of the shares.

However, we also consider that estimating the market value of shares in a private company is likely to be difficult or complex and so must be estimated by a certified and independent valuer or by the ATO.

Find out more

For more information, refer to private AF guidelines 20, 22 and 23 and public AF guidelines 20, 22 and 23.

Get it done

You can obtain a Request for valuation form from the ATO's non-profit information line by phoning 1300 130 248.

D Has the market value of land been estimated within the last three financial years?



Attention: If your fund has not held any land, you are not required to answer this question.

The trustee must have estimates, which have been made within the last three financial years, of the market value of assets that are land, including buildings.

Estimates must be completed before the fund is required to lodge a return for the relevant financial year.

The market value must be estimated in accordance with the ancillary fund guidelines and any other directions from us, and must be made by a certified and independent valuer or by the ATO..

Find out more

For more information, refer to private AF guidelines 21, 22 and 23 and public AF guidelines 21, 22 and 23.

Get it done

You can obtain a Request for valuation form from the ATO's non-profit information line by phoning 1300 130 248.

E Was every financial dealing of the fund with an associated person or entity made at arm's length?

Dealings with a founder, donor, trustee, director, officer, agent, member or employee of the trustee, or an associate of these entities must be at arm's length or on terms more favourable to the fund than would otherwise be expected under an arm's length transaction.

Find out more

For more information, refer to private AF guideline 36 and public AF guideline 36.

41203

All public ancillary funds

13 February 2019

F Has the fund's auditor confirmed compliance by the fund and the trustee with the public AF guidelines?

Each financial year the trustee must arrange for an auditor to audit compliance with the guidelines by the fund and the trustee. The audit must be finalised before the date the fund is required to lodge the return.

Find out more

For more information, refer to public AF guidelines 28, 29 and 47.

G Did the fund wind up or cease to be a public AF?

If the public AF wound up or ceased to be a public AF during the financial year, it must include the audit report when it lodges the ancillary fund return 2013.

H Was the public invited to contribute to the fund?

The public must be invited to contribute to the fund.

I Did the public, or a significant part of it, contribute to the fund?

Indicate if the public or a significant part did contribute to the fund.

41203

All private ancillary funds

13 February 2019

J Has the fund's auditor confirmed compliance by the fund and the trustee with the private AF guidelines?

Each financial year the trustee must arrange for an auditor to audit compliance with the guidelines by the fund and the trustee. The audit must be finalised before the date the fund is required to lodge the return.

Find out more

For more information, refer to private AF guidelines 28, 29 and 48.

K Did the fund wind up or cease to be a private AF?

If the public AF wound up or ceased to be a private AF during the financial year, it must include the audit report when it lodges the ancillary fund return 2014.

41203

All private AFs that were formerly a PPF

13 February 2019

L If the fund was formerly a PPF did it choose not to apply the transitional distribution rules during the financial year?

 **Attention** If your fund was not formerly a PPF, you are not required to answer this question.

In the period 2009–10 to 2012–13 a former private AF could choose to not apply the transitional distribution rules (that is, based on donations and income) and instead apply the distribution rules under private AF guideline 19 (that is, based on market value). That choice must have been made within the financial year in which it changed its distribution method.

 **Attention** The transitional distribution rules for former PPFs apply until the end of 2013–14.

Example

If a fund adopted the new distribution rules in relation to the 2013–14 financial year, it must have made the minimum distribution in accordance with guideline 19 during the 2013–14 year before lodging its ancillary fund return 2014.

Find out more

For more information, refer to Private AF guidelines 53 and 54.

41203

Section J: Declarations

13 February 2019

 Danger

Penalties may be imposed for giving false or misleading information. In addition, penalties may be imposed for non-compliance with the *Private ancillary fund guidelines* or *Public ancillary fund guidelines*.

Find out more

See the privacy note at [Completing and lodging the return](#) for further information.

Declaration

This declaration must be signed by a trustee or director or public officer authorised to sign on behalf of the trustee.

Insert the name of the authorised person signing on behalf of the trustee.

Insert the position the authorised person holds in relation to the trustee.

The authorised person must sign and date the form on the same day.

Tax agent's declaration

This declaration must be signed by the tax agent if they prepared the return.

Insert a contact name for the tax agent.

Insert the tax agent's phone number (including area code).

Insert the tax agent's reference number.

If applicable, insert the tax agent's client reference for the trustee.

The tax agent must sign and date the form on the same day.

If the tax agent is a partnership or a company, this declaration must be signed by a person authorised by that partnership or company to sign on its behalf. Also insert that person's name at this item.

41203

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.

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