



## Is your NFP a charity?

Not all NFPs are charities. Only organisations with charitable purposes can be charities.

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All charities are not-for-profits (NFPs) but not all NFPs are charities. Charities are eligible for more tax concessions than other NFPs.

The Australian Charities and Not-for-profits Commission (ACNC) registers organisations as charities. Registration is voluntary, but your organisation must be registered with the ACNC and endorsed by the ATO to access any charity tax concessions. This includes income tax exemption, fringe benefits concessions and goods and services tax (GST) concessions.


### Determine if you're a charity

Your organisations must:

- be not-for-profit
- have only charitable purposes that are for the public benefit
- not have a disqualifying purpose.

Examples of charities include:

- homeless shelters
- disability service organisations
- animal welfare organisations.

The best way to find out if your NFP is eligible to be registered as a charity, is to use the charity registration self-assessment tool on the [ACNC website](#) .

By law a charitable NFP that chooses not to register or meet requirements of the ACNC, aren't eligible to self-assess income tax exemption. They will remain a taxable NFP. See [What type of NFP is your organisation](#) for more information.

## Governing documents

All NFPs are required to maintain [governing documents](#). These are formal documents that demonstrate the organisation operates on a not-for-profit basis. They must prevent the NFP from distributing income or assets to members, both while operating and when winding up.

A registered charity must ensure their governing documents meet both charity and tax law requirements. This means a number of clauses must be included to set out the NFPs charitable purpose, their NFP character, the way they make decisions and what will be done when the NFP ceases to operate.

## Meeting your lodgment requirements

Registered charities must meet the annual reporting requirements of the ACNC. For most charities, this means lodging an [Annual Information Statement](#) [↗](#) to the ACNC by 31 January each year.

Charitable NFPs that choose not to register with the ACNC, are required to report as [taxable NFPs](#) and lodge an income tax return each year. Depending on their income, they may submit a non-lodgment advice notifying us that their taxable income for that particular year was less than \$416.

## Stay informed

If you haven't already, [subscribe](#) [↗](#) to Not-for-profit news to get all the latest news straight to your inbox. Our articles and updates on what's happening with tax and super within the NFP sector are also available in our [NFP newsroom](#).

## **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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