Fundraising events

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

Running fundraising events

If you run a fundraising event your donors may make contributions, like the cost of a ticket to attend your event. Because they get a benefit they have not made a gift; however, they may be able to claim a portion of their contribution as a tax deduction.

Supporting fundraising events

You may choose to support a fundraising event. The nature of your support will impact its tax deductibility.

Further conditions for a tax-deductible contribution

To be tax deductible as a contribution, the contribution must be made by an individual to a DGR for an eligible fundraising event. The contribution has to comply with any conditions that may apply to the DGR and may be money or property, depending on the type of event.

QC 46264

Running fundraising events

If you run a fundraising event your donors may make contributions, like the cost of a ticket to attend your event. Because they get a benefit they have not made a gift; however, they may be able to claim a portion of their contribution as a tax deduction.

Last updated 25 July 2017

If your donor does not benefit from the donation, it may be tax-deductible as a gift.

For your donors to be able to claim tax deductibility there are various conditions that must be met. The things you must do are:

- Ensure your organisation is a DGR.
- Advise your donors if any parts of their contributions are tax deductible, and if so, how much (that is, let them know what the minor benefit is).
- Provide your donors with receipts.
- Comply with state, territory and local government fundraising requirements.
- Run fewer than a total of 15 events of the same type in one financial year.

You should also be aware of your organisation's tax situation – for example, whether it has to pay income tax on the proceeds it receives from the event.

See also:

- Minor benefits
- State, territory and local government fundraising requirements

Supporting fundraising events

You may choose to support a fundraising event. The nature of your support will impact its tax deductibility.

Last updated 25 July 2017

You may choose to support a fundraising event. The nature of your support, that is the type of donation you make, will impact its tax deductibility.

It is whether you benefit from the donation or not that will change your tax.

If you attend a fundraising event (such as a dinner or auction) you may make a contribution, like the cost of the ticket to attend or a successful bid at an auction. Because you benefit from your donation we do not classify your donation as a 'gift'.

If you support a fundraising event but do not benefit from the donation, your donation may be tax-deductible as a gift. If you do provide a gift other than money, you need to provide the DGR with its value.

It is up to the DGR to value your minor benefit and provide you with a receipt.

See also:

- Is it a gift or contribution?
- Minor benefits

QC 52960

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Last updated 25 July 2017

Approved NFPs

To be tax deductible, the contribution must be made to a deductible gift recipient (DGR).

Who can claim?

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

Approved donation types

- Money over $150 (at a fundraising auction donors can only claim a deduction for contributions of money).
- Property purchased during the 12 months before making the contribution and valued at more than $150.
- Property valued by us at more than $5,000.
- Shares:
  - acquired at least 12 months before making the contribution
  - valued between $150 and $5,000
  - in a listed public company
  - listed for quotation on the Australian securities exchange.

Claim limits

For a contributor to claim a tax-deductible contribution, the benefit they receive must be:

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

See also:

- Minor benefits

Eligible events

For a contributor to claim a tax-deductible contribution, the donation must be for an eligible fundraising event, which is a DGR fundraising event conducted in Australia, including:

- fetes, balls, gala shows, dinners, performances and similar events
- events involving sales of goods if selling these goods is not a normal part of the supplier's business.

DGRs must run fewer than 15 events of the same type in one financial year for donation to remain tax-deductible.

Political donations

Fundraising events held by political parties are ineligible for this concession. Political gifts and contributions are subject to their own rules in order to be deductible.

See also:

- Claiming political contributions and gifts

Example 1 – Claiming a deduction when paying with cash

Mel pays $420 to attend a charity dinner. The value of the dinner provided was $80. Her deduction is worked out by taking the cost of the ticket and subtracting the value of the dinner: $420 − $80 = $340. It is an allowable deduction because the value of the benefit ($80) is less than $150 and not more than 20% of her contribution (which would be 20% of $420 = $84).

Example 2 – When the benefit exceeds 20% of your contribution

Bernie buys a ticket for $400 to a gala performance organised by a DGR.

The performance is normally open to the public for $100 a ticket.

Therefore, the benefit Bernie receives is $100, which is less than the limit of $150. So at this stage: Ticket
price $400 – benefit $100 = $300 tax deduction.

However, the value of the benefit must not be more than 20% of his contribution: 20% of $400 contribution = $80.

So given the benefit is $100 and 20% of Bernie's contribution is $80, he cannot claim a tax deduction.

QC 52961

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.