



Annual Returns under the Charities Act

For the purposes of the Charities Act, an Annual Return consists of a completed Annual Return Form and a copy of your accounts. Your accounts may be audited or un-audited.

The Charities Act 2005 requires all charities registered with the Charities Commission to file an Annual Return.

Very little information is currently available about New Zealand's charitable sector but the Annual Return process will bring together information that will give us a better understanding. It will also help promote public confidence in charities.

The information provided in the Annual Return will also help the Charities Commission to monitor registered charities to ensure they remain qualified to be registered.

Once you have registered, we will remind you when your Annual Return becomes due and give you some information about how to complete an Annual Return (you may have received this information sheet with your reminder letter).

The information you provide in your Annual Return, including your financial accounts, will be publicly available on the Charities Register

at www.charities.govt.nz. This means that members of the public, including potential donors, funders and volunteers will be able to look at the information to help them find out more about your charity.

In some cases, the Charities Commission may decide it is in the public interest to prevent people from seeing certain information on the Register. We explain more about this over the page and in the information sheet *Restricting public access to your information on the Charities Register*.

What is an Annual Return?

For the purposes of the Charities Act, an Annual Return consists of a completed *Annual Return Form* and a copy of your accounts. Your accounts may be audited or un-audited.

Your Annual Return may also include notification of changes to some of your organisation's details including information about changes to your officers.

When should you send us an Annual Return?

When the Commission confirms registration, we let charities know when their first Annual Return is due. Then, closer to the due date, we send a reminder (you may have received this information sheet with your reminder). You must send your completed Annual Return back to the Commission **no later than six months** after your balance date (the end of your financial year). However, you can also use your *Annual Return Form* to notify the Commission of changes to your organisation's details. In this case, you must send the Return back **within three months** of the effective date of the changes or of you becoming aware of them. See our information sheet *What to do when something about your charity changes* for more details.

Is it compulsory to send an Annual Return?

Yes, the Charities Act requires **all** charities registered with the Charities Commission to file an Annual Return each year.

Does this mean duplication of work for incorporated societies?

No. A change to section 23 of the Incorporated Societies Act says that incorporated societies who are also registered with the Charities Commission do not need to send an annual financial statement to the Companies Office. They only need to send an Annual Return to the Charities Commission.

How do you get and complete an Annual Return Form?

There are two ways to complete an *Annual Return Form* - online or on paper.

Online

You can get a customised *Annual Return Form* online by logging into your account at www.charities.govt.nz. If you have not used your online account before and would like help to activate it please phone our free information line 0508 242 748 or email info@charities.govt.nz.

To make it easier for you, the Commission will fill in part of the online form using your current details from the Charities Register.

The online form has helpful notes and you don't have to complete it all at once. You can complete it in stages by logging in and out. You can send supporting documents, such as your financial statements, electronically or by post.

On paper

If you prefer to use a paper form, you can print a copy of Form 4 from our website www.charities.govt.nz. Alternatively, you can ask for a copy to be posted to you by either phoning our free information line 0508 242 748 or emailing info@charities.govt.nz.

The form includes easy-to-read notes to help you complete it.

Please note that the Commission is **not** able to customise the paper form for you. This means that unlike the online option, it is a blank form – not partly completed with your details.

Do accounts have to be audited?

No, not for the purposes of the Charities Act. If you have had your accounts audited, please send a copy of the audited accounts. If you do not have them audited, or have

not received a copy of the audited accounts by the time you need to send in your Return, you should send a copy of your accounts, as they are, un-audited.

What information will we ask you for?

The *Annual Return Form* asks for information (in “tick box” format) about:

- the sectors your charity operates in
- the activities it is involved in
- who benefits from those activities
- its geographical area of operation.

It also asks for information about the people in your charity – for example, how many people work as volunteers.

The financial information it asks for relates to:

- income and expenditure
- assets and liabilities
- equity.

This is broken down into several categories, including:

- membership fees
- donations
- grants
- salaries and wages
- investments.

You show this information in round figures (the help notes on the form give examples of this). You must also provide a copy of your accounts – audited or un-audited.

What happens if you want to notify the Commission of a change?

You can use your Annual Return to notify the Commission of changes to your charity’s:

- name
- address for service
- balance date
- rules
- purposes
- officers.

If you are reporting changes to your rules, you must also send us a copy of the:

- amendment to the rules
- minutes of the meeting or other record of the decision specifying the change and the effective date of change.

If you are reporting a **change of officers** because you have appointed a new officer, you must also complete an *Officer Certification Form* for the new officer. See our information sheet *What to do when something about your charity changes* for more information.

The Commission will consider your notified changes to determine whether they might affect your registration status. If the Commission has a concern that a change may affect your ongoing qualification to be registered, we will notify you in writing.

Please note that, if you use your *Annual Return Form* to notify the Commission of changes, you must then send it in **within three months** of the effective date of the change, or of you becoming aware of it.

Will the public be able to see the Annual Return information?

Yes, the information provided in your Annual Return, including your financial accounts, will be publicly available on the Charities Register. However, the Charities Act does allow the Commission to restrict information from the public if it believes it is in the public interest to do so.

You can request that information is restricted under section 25 of the Charities Act. To do this, you will need to write to us explaining what information in your Annual Return you would like restricted from the public and why you would like it restricted. The Commission will consider your request and let you know its decision.

You can find out more about restricting information from the public in our information sheet *Restricting public access to your information on the Charities Register*.

What is the fee for filing an Annual Return and how do you pay it?

If your organisation has an annual gross income of less than \$10,000, you still have to file an Annual Return but you do not have to pay a fee.

The fee for filing an Annual Return on a paper form is \$75.

The fee for filing an Annual Return online (and either posting or uploading supporting documents electronically) is \$50.

We will invoice you for the fee after we have received your Return. You can pay by cheque, MasterCard or Visa.

What happens if you don't provide an Annual Return on time?

The Commission can require a charity to pay a penalty if it does not provide an Annual Return within the required time (six months after its balance date). If a charity persistently fails to provide an Annual Return, it can be deregistered.

If you are part of a registered group, how do you send an Annual Return?

The terms and conditions set for your group will explain this. The parent of your group will have these, so you should refer to the parent for details.

Further information

We hope this information has been helpful.

For more information about the Charities Register or registration under the Charities Act, please visit www.charities.govt.nz.

You can also call the Charities Commission on our free information line - **0508 242 748**.

To get updates by email, please send your name, organisation and contact details to info@charities.govt.nz.